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## **Start of Transcript**

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Louise Thomson: Good morning, and welcome to the National Australia Bank Annual General Meeting. I am Louise Thomson, Group Company Secretary. Before commencing this meeting, I would like to invite Professor Nareen Young for an Acknowledgement of Country. Nareen is Associate Dean, Indigenous Leadership and Engagement at UTS Business School and is part of NAB's Indigenous Advisory Group.

Nareen Young: Thanks, Louise. Budyeri kamaru, or hello, in the Sydney Aboriginal language, my name is Nareen Young. I hold the dual positions of Professor Indigenous Policy at the Jumbunna Institute of Indigenous Policy and Research at the University of Technology in Sydney, just down the road, and Associate Dean of the Business School at UTS. I also have the privilege of being a member of the NAB First Nations Advisory Group. However, importantly, I am also a descendent of the Gadigal through my maternal line, and I wish to acknowledge that we meet here this morning on the land of the Gadigal of the Eora Nation, or the Eastern Dharug, depending on your interpretation. I acknowledge Elders past and present, and the Gadigal's custodianship of this land for 65,000 years and tending it and its waterways with such care so that we can now all share in the welcoming beauty that is modern day Sydney.

I acknowledge Tiwi Elders here today, NAB's First Nations staff and customers, my fellow advisory group members and our allies. I want to thank NAB for supporting First Nations staff, customers and shareholders this year by supporting the Voice and the leadership staying strong. It meant a lot, and thanks for inviting me here today to acknowledge this beautiful Country. Thank you. Have a great meeting.

Louise Thomson: Thank you, Nareen. This is a hybrid AGM, allowing shareholders or their proxies to attend in person or online. Thank you to the significant number of shareholders who have already voted and submitted questions in advance.

In our Notice of Meeting, we set out the standards of conduct we ask attendees to meet. We ask attendees to be courteous and respectful to others attending the AGM, and that all attendees respect our security measures. Please also respect the privacy of people by not taking photos or audio or video recordings, other than if you are accredited media. That will help with the orderly conduct of the meeting.

I remind everyone here today that this is a meeting of shareholders. If anyone disrupts the meeting the Chair will ask them to leave. For those attending in person, and for the awareness of those online, there are NAB information stands and help desks in the foyer outside. They are for customer and shareholder enquiries, fraud and scam safety, retail and digital banking, and nabtrade.

All matters for voting today will be by poll. Votes can be submitted from when the Chair declares the poll open until 10 minutes after the end of the meeting, to provide ample voting opportunity. Christina Piccolo from Computershare will act as the Returning Officer and the results will be announced later today in an ASX announcement.

I will now explain our procedures for today. For people here in the room with us, when you registered this morning, you will have received a white or green card if you are a shareholder or proxyholder, and a yellow card if you are a visitor. The white card is for voting. After the Chair declares the poll open, please scan the QR code on the front of the card with your mobile device or complete the reverse of the card and put it in the ballot box at the end of the meeting or on your way out. Computershare staff are available to assist you.

We have four microphone points in the room. If you have a white or green card and want to ask a question, please move to the microphone nearest to you when the Chair invites questions on that item of business. If you are unable to get to a microphone point, please raise your hand and a roving microphone will be brought to you. Please show your card and give your name to the microphone attendant, who will introduce you to the meeting. To address as many questions as possible, we will ask that you keep questions concise and no longer than two minutes.

Holders of yellow cards are visitors and are not eligible to vote or ask questions. For shareholders and proxyholders attending online, you can vote and ask questions by using the Vote and Q&A action buttons at the top right of your screen, following the instructions and prompts.

You may change your vote up until the time the Chair declares voting closed. If you

require technical assistance, our Online Meeting Guide is easily accessible by clicking the Documents icon on your screen or by going to the AGM page of our website. Alternatively, you may call the number displayed on screen now.

If you are online and wish to submit a written question, to allow us to address as many as possible, please do not ask more than two questions per item of business and keep your question concise. For written questions, the limit is 1,000 characters (that is around four to five sentences). The question platform is now open if you wish to submit written questions. At relevant points in the meeting, one of my colleagues will read out shareholders' questions and the Chair will respond.

If you are using the online platform and wish to ask a question orally, you will need to have pre-registered to obtain the telephone number and PIN. An operator will assist you and the Chair will invite questions from the phone line at appropriate points. Where there are logical groupings of Items of Business, the Chair will invite questions on these together. The Chair will take all questions on climate-related matters at item 5(a). Please ensure your questions are relevant to all shareholders.

Questions submitted online may be summarised or amalgamated to avoid repetition. Given the large number of shareholders and questions expected, it is possible that not all questions will be answered. The Chair will aim to address questions on a broad range of topics.

As this is a hybrid meeting, if we experience technical difficulties during the meeting, the Chair may decide to pause the meeting, adjourn it to a later time, or continue the meeting. Any adjournment will be announced on the ASX platform. I would now like to introduce our Chair, Mr Philip Chronican.

Philip Chronican: Good morning and welcome to this meeting. It is a little after 9:30am. This is a properly constituted meeting and a quorum is present. I therefore declare that the Annual General Meeting of National Australia Bank Limited is open and welcome shareholders, proxyholders and guests.

It is a pleasure to chair the meeting in-person in Sydney and terrific to see those of you here in the room. Welcome also to those who are joining us online and on the phone.

I, too, would like to acknowledge the Traditional Owners and Custodians of the land on which we are hosting today's meeting, the Gadigal people of the Eora Nation, and pay my respect to Elders, past, present and emerging, and I would also like to thank Nareen for her Acknowledgement of Country. I would also like to acknowledge any Indigenous

participants in our meeting today, and in particular some Tiwi Elders who have visited us. Before delivering my address, I would like to make some introductions. On stage with me today are our Group Chief Executive Officer and Managing Director, Ross McEwan, our Group Chief Financial Officer, Nathan Goonan, my fellow Non-Executive Directors, Anne Loveridge, David Armstrong, Kathryn Fagg, Doug McKay and Peeyush Gupta, as well as Alison Kitchen, Carolyn Kay, Christine Fellowes, Ann Sherry and Simon McKeon, and on my right, our Company Secretary, Louise Thomson.

Also present with us is Tim Dring, who is the Lead Engagement Partner for our external auditor, Ernst & Young, and they are here to answer questions related to the auditor's report or the conduct of the audit. NAB's senior leadership team is also present in the room. Assisting us today is Jessica Forrest, a senior member of the NAB team, who will be reading out written questions from the online platform.

As Louise has said, all resolutions to be considered at this meeting will be decided on a poll. I now declare the poll open on all resolutions to give shareholders maximum time to vote. The poll will be open until 10 minutes after the end of the meeting. Thank you again to those shareholders who submitted questions in advance of today's meeting. We received 134 questions, all of which I have read. Many were on similar topics and I will cover some of the common themes in my comments today.

My address today reflects on our performance for shareholders during the past year and discusses the future of our business. We are making steady progress in building the Bank that we want, and that work continues. Since his appointment four years ago, our Group Chief Executive Officer, Ross McEwan, has maintained his intent for NAB to be a good Bank that gets the basics right for our customers.

Under Ross' leadership, consistent execution of the Bank's strategy over multiple years is benefitting our customers, our employees and you as owners of the company. Pleasingly, during the three years to September 2023, NAB has delivered a total shareholder return of around 86%, compared with an average return of around 65% achieved by NAB's major bank peers. The broader executive leadership team is consistent in delivering NAB's strategy and demonstrating discipline in how they lead the Bank.

This includes prioritising the experiences of our customers and our people. We are seeing improvements in customer feedback metrics and market share in many areas, although there is more work to do. Our colleague engagement is now top quartile against global peers. The calibre of our senior people has been demonstrated through internal

appointments to executive roles during the year.

Increased capability within the organisation has enabled us to grow the Bank safely and support our customers in a complex economic environment, and against the increasing prevalence of fraud and scams. We continue to invest to keep our customers and the Bank safe. We have added hundreds of people across our cyber security, scams and fraud teams, and our collaboration with government authorities is ongoing.

We are improving our culture with a strong focus on the contributions we make in the communities we serve. Culture and risk management remain front of mind for all of us. The outstanding regulatory issues that were identified through the Financial Services Royal Commission have largely been closed and we are remediating issues much more effectively for our customers.

Matters relating to NAB's Enforceable Undertaking with AUSTRAC are progressing to plan. The lessons learned from the Royal Commission and from NAB's own self-assessment into governance, accountability and culture continue to guide our approach to keeping the Bank safe, protecting customers and innovating to be a leading financial services provider.

NAB's strong financial performance and an increase in underlying earnings reflects a positive contribution from all business divisions this year. The Board determined dividends for the year of \$1.67 per share, returning \$5.2 billion in total to shareholders. This outcome sits within our target payout ratio range of 65% to 75% of cash earnings.

NAB delivered a cash return on equity of 12.9% for the 2023 financial year, this is 1.2 percentage points higher than the 11.7% delivered in 2022. For the third consecutive year we have undertaken a share buy-back while maintaining healthy capital levels integral to keeping the Bank safe. This supports our ambition to progressively manage down our share count and thus support shareholder returns.

The Board remains focussed on maintaining responsible levels of executive remuneration. Executive and employee remuneration outcomes for the year have been determined based on the Bank's performance against the targets set out in NAB's 2023 plan. These targets are aligned with shareholder outcomes and include financial performance, market share growth, customer outcomes, and colleague engagement.

The Board determined a Group Performance Indicator of 90% for the 2023 financial year. This score reflects a strong performance on financial measures and good progress being made against our strategy, while also recognising that for some targets for customer, market share and gender equality were not fully met.

Renewing and reshaping your Board has been a consistent focus and we have made several changes to the Board's composition during the past year. Earlier this year, we were pleased to announce the appointment of three new Directors. Christine Fellowes, Carolyn Kay, and Alison Kitchen will be considered by NAB's shareholders for election to the NAB Board as the first item of business in today's meeting. In addition, Simon McKeon and Ann Sherry will stand for re-election with the Board's full support.

After having each served three terms of three years, David Armstrong and Peeyush Gupta will retire from the NAB Board at the conclusion of today's meeting. On behalf of all shareholders, I want to thank David and Peeyush for their significant contributions over the last nine years.

These changes are in line with NAB's Board renewal strategy and our desire to bring relevant new skills, experience and broader diversity to our Board. As you will have seen in the Notice of Meeting, Stephen Mayne has also nominated himself for election as a Director. The Board has considered his nomination and does not endorse his election.

Looking forward, we are determined to secure NAB's position for the long term. The economic environment remains uncertain and there are new and emerging risks to be managed. While the Australian economy is slowing, it is still growing, and Australia is in a good position.

We are cautiously optimistic about the future but also alert to the geopolitical tensions at play and the impact that these may have. We are modernising our technology, our digital, data and analytics capability to prepare the Bank for the future.

I would like to reflect on progress since my AGM address last year when I outlined a major opportunity for 2023 was the prospect of a referendum for an Indigenous Voice to Parliament. Where appropriate, we will engage in and take action to support broader community issues where there is a benefit for our customers, the community and the Bank. These decisions are made after careful consideration of a range of views.

During the year, we continued our support for the Yes campaign on the referendum for an Indigenous Voice. NAB related entities donated \$1.5 million to charities supporting the Voice campaign, this was \$200,000 from NAB itself and \$1.3 million given through the charitable trust, the NAB Foundation. We did this because of our strong interest in addressing First Nations disadvantage in the communities in which we operate.

Following the Vote, I now recognise that it's time for reflection as we consider the outcome and implications of the recent referendum. We acknowledge the result and the views of

some shareholders who wrote to us ahead of this meeting regarding the use of shareholders' funds in support of the campaign.

I've been fortunate in my time as NAB Chair to spend time with land councils, Indigenous businesses and activists, as well as our Indigenous business bankers. I've seen what can be achieved by having bankers who are affiliated with the Indigenous community. The national referendum brought important focus to the issue of reconciliation and our Indigenous communities.

NAB will continue to support reconciliation through our own Reconciliation Plan and through growing our Indigenous business activities. During the year, I also spent time with NAB's customers in different industries and regions around Australia who are acting on climate change. Big and small, they're taking decarbonisation seriously by investing and innovating to reduce emissions and to drive productivity and profitability in their businesses.

This included a trip to the rural community of Narrabri. There I saw the community's grassroots response to the climate transition and heard from community members about transition issues and the opportunities in their region. I learnt about innovations in plant breeding, as well as a cloud-based technology that traces and verifies cotton fibres from farm gate through to a high-street store.

Decarbonisation is gathering pace and Australia is at a critical juncture in its transition to a net-zero emissions world. What we achieve between now and 2030 is important and Australia needs to act quickly to set up our economy to capitalise on the opportunity before us. This year NAB set 2030 decarbonisation targets for another three emissions-intensive priority sectors: aluminium, iron and steel, and aviation. This builds on targets set last year for power generation, oil and gas, thermal coal mining and cement production.

We continue work on targets for other sectors, in line with our ambition to align our lending portfolio to net-zero emissions by 2050. NAB has a critical role to play in funding and supporting Australia's transition to net zero and we will keep backing our customers to realise the opportunity.

On behalf of the Board, I'd like to thank you, our shareholders, for your ongoing support. I'd also like to recognise NAB's team of more than 38,000 for the work that they do serving customers well and helping our communities prosper. NAB has come a long way in recent years. We are pleased with the progress being made, but we clearly recognise that



there is much more to do. I will now hand over to our Chief Executive Officer, Ross McEwan. Thank you.

Ross McEwan: Thank you, Chair, and good morning everyone. Welcome to our shareholders. It's great that you could join us here today. 2023 has been a strong year for your Bank. Our strategy is into its fourth year. With a focus on customers and colleagues, we are making good progress to be a simpler, better performing Bank. We're also seeing the benefits of the choices we are making on where we invest.

Our cash earnings increased by 8.8% to \$7.73 billion in 2023, with all of NAB's businesses playing their part, in particular, our leading Business and Private Banking division. This is a terrific business, built on strong relationships with customers and it remains the largest lender to small and medium businesses in Australia. During the past three years, we've invested about \$1.3 billion in this division, while adding more than 600 customer-facing roles.

We are determined to make this franchise even better for our customers. The strength of our Business and Private division allowed us to make the deliberate decision to moderate growth in home lending, where returns have been challenged. Competition in home lending has been as tight as I've seen in my time in Australian banking, with margins under pressure. We will maintain a disciplined approach in this line of business.

At the same time, we're working to build a stronger deposit franchise. During the past four years, we have grown our share of both business and household deposits. We've also seen growth in new transaction account openings, as we support more customers with their savings. We recognise the importance of providing competitive rates, particularly for retirees and those looking to save for a home deposit.

The rates on some of our most popular savings products have increased beyond the rise in the cash rate during the past 18 months and we're delivering the highest rates to NAB savers since 2008. In our Personal Banking division, we have progressed the integration of the Citi Australian business and we are ambitious to deliver market-leading capability in unsecured lending. Our digital bank, UBank, has completed its customer migration to its upgraded platform following the purchase of 86 400 and has gained 175,000 new customers in the past year.

The Corporate and Institutional business reported a 14.9% increase in cash earnings, benefiting from a disciplined focus on returns. The BNZ, our New Zealand business, saw cash earnings increase 8.5% as lending grew in a challenging market. While it was a



strong year overall, conditions deteriorated in the second half, as persistently high inflation drove costs higher and competition remained intense.

We expect 2024 will remain challenging, reflecting slower economic growth, ongoing higher inflation and continued competition. We will be disciplined on costs, while maintaining investment in the experience of customers and our colleagues. This includes making sure we have people where our customers need us most. In 2023, we increased the size of our NAB Assist, and scams and fraud teams to ensure we could better support and protect our customers.

We hold the first or second spot amongst major banks for customer net promoter scores across key segments, but there is more to do here. Our colleagues, for them, we've delivered a simpler, more modern Enterprise Agreement this year, and our focus on the skills and development of our colleagues is supporting a capable and engaged workforce that can meet more of our customers' needs.

Our colleague engagement score has reached 78, which is above the global top quartile target. This year has been challenging for many in Australia and in New Zealand. Looking forward, I remain optimistic. Business conditions are above average and while some business owners are worried, many remain ambitious for growth. With demand for our natural resources and strong employment and migration, Australia's economy is well positioned to improve in the second half of next year.

In New Zealand, there are also reason for optimism. High migration and low unemployment should support a return to growth during the next 12 months. While New Zealand has been close to recession this year, I expect Australia will avoid this outcome. However, it will continue to feel harder for some time yet. Since May 2022, when rates started increasing, we have made more than 620,000 check-ins to personal banking customers.

While a very small number have required help, the message we've heard loudly has been thank you; we're doing okay at the moment. It's clear, though, that 13 increases to the cash rate are being felt by homeowners, but it is also often Australians who don't own their home facing the greatest difficulty. Remember that around one in three houses in Australia have a mortgage, but 100% experience the impact of higher cost of living.

Rental prices have risen about 10%, while the cost of energy, food and other essentials have jumped. For those on low income and - those cost increases have been particularly significant. Despite the economy slowing, house prices have climbed this year, sharply

reducing housing affordability. For many seeking the great Australian dream of home ownership, it now feels further away.

We haven't built the number of homes required for our growing population. It is one of the biggest problems facing the country right now. There has been some action, but we need to work faster to free up tracts of land and build more homes. NAB is determined to do more here, working with customers, partners and the government. Our 20-year community partnership with Good Shepherd is entering a new phase with a focus on affordable housing.

We've also announced a target to lend at least a further \$6 billion by 2029 to help Australians access specialist and affordable housing. At last year's AGM, I discussed the scam epidemic that was hitting the country. That epidemic is growing and we are working hard to fight back.

This year, we introduced a range of initiatives to better protect our customers from global criminal groups relentlessly targeting Australians; improvements including being the first Australian bank to remove links from unsolicited text messages and the introduction of payment prompts to slow down digital payments that seem unusual. We will find more ways to better protect our customers.

We have experts ready in the foyer to chat to you about how to keep yourself and your family safe from scams. As well as protecting customers today, we are investing to protect customers and the community into the future. This includes against the effect of climate change. Natural disasters are becoming all too frequent. The NAB Foundation continues to help communities withstand and recover from natural disasters.

The Foundation has partnered with Disaster Relief Australia to recruit and manage 3,000 volunteers who can be on stand-by for when disasters happen. Taking action on climate change is everyone's job, as Australia reaches a critical point in the transition to a net-zero economy. We recognise our role at NAB is to support our customers to get there. NAB is the number one Australian bank providing project finance to global renewable energy sector and we have been that for some time.

We've launched new products and initiatives, including business finance for green equipment, an Agri Green Loan and carbon market capability. We're also building banker experience, with 1,200 colleagues completing specialised climate training in 2023. In November, NAB announced a new target to more than double our lending to First Nation businesses and community organisations to at least \$1 billion over the next three years.

We recognise a strong First Nation business sector creates opportunities for communities to succeed and contributes to a stronger Australian economy. We want to work together to strengthen financial resilience and increase businesses and employment opportunities. To do this, we need to remove barriers that have made it more difficult for First Nations customers and businesses to access financial services.

Technology is transforming the communities we serve and the way our customers bank with us. This includes developing new digital tools and investing in banking hubs able to assist customers with more complex needs. At the same time, we're also having to make difficult decisions to close some branches. Some shareholders have expressed disappointment about these closures, and we understand the effect they can have on local communities.

These decisions are only taken after careful consideration of a range of factors, including understanding how the local community does its banking. More than 93% of customer interactions now happen online, while over-the-counter transactions in branches have more than halved in the past four years. In regional Australia, many customers travel to nearby larger towns and cities to do their banking together with other specialist services and their shopping.

It is many of these locations where we've invested in our network. Since October 2019, we've invested \$280 million into 200 branches, including more than \$100 million in regional locations. These refurbishments and new hubs, in locations such as Ballarat, Wagga Wagga and Kalgoorlie, have purpose-built spaces for more specialised and complex conversations.

We also continue to invest in our relationship and partnership with Australia Post, which provides Bank@Post in more than 3,400 locations across the country, and we'd like to expand that service. It is also important to note that when a branch closes, all of our colleagues are offered new roles across the Bank.

I am optimistic about your Bank and its prospects despite a slower economy. The banks that perform best over time will be those that get the basics right consistently. We are determined to do this for our customers and our colleagues. Thank you to our customers for choosing to bank with us, to our colleagues for their dedication this year and to you, our shareholders, for choosing to invest in NAB. We look forward to continuing to serve you in 2024. I will now hand back to our Chairman. Thank you.

Philip Chronican: Thank you, Ross. I'll now proceed with the formal business of the meeting. The Notice of Meeting was made available to shareholders on 9 November and I propose that it be taken as read. All items, other than item four, are resolutions to be voted on at today's meeting. Item 5(b) is a conditional item, which will only be put to the meeting if item 5(a) is passed. For item 5(a) to be passed, at least 75% of the votes validly cast on that item would need to be in favour of that resolution.

Voting restrictions were set out in the Notice of Meeting. Where the Chair of the meeting has been nominated as a shareholder's proxy, all open and available proxies have been voted against items 1(f), 5(a) and 5(b) and in favour of all other items. The full picture of direct and proxy votes received in advance is displayed on the screen now, including on the conditional item 5(b), which may not need to be put to a vote later in the meeting.

Further detail has been included in our ASX announcement released prior to the start of the meeting. If you are joining us online and haven't already done so, I encourage you to submit questions now. As Louise said, for the orderly conduct for the meeting, I ask that you hold any questions related to climate change, including on our policy position and on our disclosures, until the discussion under item 5(a), so that we can keep the related topics together. I'll take general questions after the formal items of business.

So I'll turn to the first item of business, which is the re-election and election of Directors. This year, we have five Board-endorsed Directors retiring at the meeting in accordance with the Company's constitution and offer themselves for either re-election or election. We also have one self-nomination by a shareholder seeking to be elected as a Director. The five Board-endorsed Directors are Simon McKeon, Ann Sherry, Christine Fellowes, Carolyn Kay and Alison Kitchen.

If re-elected, this will be Simon's second term and Ann's third term serving you on the Board. Christine, Carolyn and Alison were appointed as Non-Executive Directors during 2023 and, if elected, this will be the start of their first term serving you on the Board. They each bring different and valuable skills to the Board, which are summarised in the Notice of Meeting.

The Board has undertaken an evaluation of the performance of each of the Directors standing for re-election. Having considered their independence, their capacity to undertake the duties expected of a Director of the Company and the combined skills of the Board, the Board fully supports each election or re-election of these five Directors. Details of the

qualifications, career, experience and other interests of each Director standing for election and re-election are set out in the Notice of Meeting and the Annual Report.

Simon, Ann, Christine, Carolyn and Alison will each speak to you about what they bring to the collective capability of the Board. Stephen Mayne has self-nominated for election as a Director and shareholders will have an opportunity to hear from Stephen as well. Simon, would you now like to address the meeting on your re-election?

Simon McKeon: Thank you, Chair, and good morning, ladies and gentlemen, and fellow shareholders. I'm happy to now submit to you my credentials and background, as well as my enthusiasm for a continuing opportunity to serve NAB. The Board I joined in early 2020 was focused on responding to the recommendations of the Royal Commission and doing all it could to restore NAB's standing.

Today, NAB finds itself in a different position. Much has been achieved, and the pandemic, of course, is largely behind us, but there remains additional value to be realised through further growth in its businesses, along with developing more resilience in the areas of vulnerability. My executive career has been in two parts: as a practicing lawyer specialising in a range of corporate transactions, and subsequently as an investment banker with Macquarie Group, ultimately as executive chair of its Melbourne business.

In each role, I spent much of my time advising the senior management and boards of relatively large businesses and typically the focus was directed towards initiatives designed to achieve business growth and value creation. Separately, I established for the Federal Government and initially led the Australian Takeovers Panel. I've also served as the chair of CSIRO and I'm currently chancellor of Monash University.

I have enjoyed being able to combine my interest in governance with the creation of new organisations and innovation, research and development. I'm also pleased to say that I'm a business customer of NAB through a tourism operation that we've established on Victoria's Mornington Peninsula.

My interest with social justice and community continues and, accordingly, I spend considerable time with people who do it tough and organisations who do their best to assist them across a wide spectrum ranging from homelessness to disability. Over a period of more than four decades I've served on numerous boards, the majority of which have been focused in this very broad area. I would hope these experiences, which have been important to me, enable me in a modest way to bring that perspective of a broader Australian experience to NAB.

Ladies and gentlemen, I would be honoured if I were to continue to serve you as a Non-Executive Director. I have one other listed directorship with Rio Tinto Group that I believe I do have the time and commitment to fulfil what shareholders would expect in a Non-Executive Director. Thank you.

Philip Chronican: Thank you, Simon. I now invite questions on Item 1(a), the re-election of Simon McKeon. If you are in the room and would like to ask a question and are eligible to do so, please move to the microphone point nearest to you right now. Are there any questions in the room? Number three?

Operator: Chair, I would like to introduce Mr Craig Caulfield.

Philip Chronican: Thank you.

Craig Caulfield: (Shareholder) Good morning, Mr Chronican. Welcome to all the shareholders and hello to all the Board members. In respect of Mr McKeon, I would like to thank him because at previous AGMs Mr McKeon, and all of the Board Directors actually, have come out to talk with the small shareholders. A lot of decisions are largely made in advance of AGMs through your large shareholders, but we like to feel that we get some input. Part of that is through the questions that we pose here, and part of it is circulating with us later on. Maybe we have extended questions.

I would like to endorse Mr McKeon, and I note his very wide spread experiences. I first learned about Mr McKeon because I attend Canberra quite a lot and I walk around Lake Burley Griffin, and I remember reading a list of Australians of the Year. I used to do it by memory to help my mind. Anyway, Mr McKeon was one of those.

He's got an illustrious past. We really appreciate the fact that he's attended and engaged with us after the AGMs. Can I just get confirmation that Directors will be attending after the AGM to circulate with us smaller shareholders?

Philip Chronican: That's certainly our expectation and we'll have more time to spend the more efficiently we get through the meeting, so I hope to do that. Craig, as you know, I like to come out and say hello as well so I'll certainly hope that we'll be able to mix with you at the end of the meeting.

Craig Caulfield: (Shareholder) Yes. Thank you.

Philip Chronican: Thank you. Microphone number two.

Operator: Chair, I would like to introduce Natasha Lee.

Philip Chronican: Thank you.

Natasha Lee: (Shareholder) Thank you, Chair. Not specifically a question for Simon, although I endorse his re-election. It's a question about Directors having skin in the game, being the shareholdings. Whilst you do have a policy, I note that there's a five-year period to acquire the relevant number of shares, that seems a little bit excessive. Most companies require it within three years. Given the time on the Board is about 10 years, it's half the time that they're not meeting the standard. I would ask that the Board consider reducing that period of time down to three years to be more consistent with other companies and show their commitment to the Company.

Philip Chronican: Yes. Thank you for that. Actually, it was a question that was raised during the pre-AGM meetings that we had with the Australian Shareholders Association. We had a brief conversation at the Board this week and we've agreed to look at it next year, so we absolutely understand the point. So, thank you.

Natasha Lee: (Shareholder) Thank you very much.

Philip Chronican: Thank you. Any other questions in the room? If not, phone operator, do we have any questions on the re-election of Simon McKeon?

Operator: There are no phone questions.

Philip Chronican: Thank you. Jessica, do we have any online questions on the re-election of Simon McKeon?

Jessica Forrest: Chair, there are no questions online.

Philip Chronican: Thank you. The Board recommends that shareholders vote in favour of the re-election of Simon McKeon. I now formally put to you Item of Business 1(a) and please record your vote now if you've not already voted.

Next is an Ann Sherry. Ann, would you like to address the meeting on your re-election?

Ann Sherry: Thank you, Chair, and also good morning, ladies and gentlemen, fellow shareholders. I present myself for re-election to the Board of National Australia Bank and I'd have to say, in the six years I've been on the Board much has changed, but there's still work to do.

I bring to the role a variety of business, government and banking experience. I spent the early part of my career working in state and federal governments in both policy and operational roles, and so I do understand the way government works. I was chairman of Carnival Australia and prior to that chief executive for 11 years. I also bring considerable banking experience, having spent 12 years as an executive at Westpac working as a group



executive in human resources, chief executive of the Bank of Melbourne, and chief executive of Westpac New Zealand and Pacific.

I've led diverse teams and was on the executive of Carnival Corporation, which is a dual listed global entity on the FTSE and New York Stock Exchange. I've been a non-executive director for almost two decades, serving on global and locally listed boards, including ING Banking Group globally and Sydney Airport Corporation.

I'm chair of the listed entity Enero Group and serve on not-for-profit boards and some government entities. I bring experience and insight from customer facing businesses, and an understanding of the technology, changing the way many of our customers operate and choose to interact with their service providers.

In my six years as a NAB Director, I've served on the People and Remuneration Committee and Chaired the Board Customer Committee, which many of you will recall was established after the Royal Commission. This is where the Board gives oversight and challenge on the customer issues we continue to face when designing products, dealing with vulnerable customer groups, the regulatory requirements, scams and all the issues raised through our internal complaint and feedback channels.

I believe passionately that strong banks have supported our economy and customers through the last three years, particularly during the pandemic, and we continue to be responsive and responsible. I look forward to continuing to serve you as a member of the NAB Board. Thank you.

Philip Chronican: Thank you, Ann. I'll now invite questions on Item 1(b), the re-election of Ann Sherry. Microphone attendants, do we have any questions in the room? Attendant number three.

Operator: Chair, I'd like to introduce Mr Roman Kniznikov.

Philip Chronican: Thank you.

Roman Kniznikov: (Shareholder) Thank you, Mr Chairman. I would like to thank Ann and endorse her for the Board position. I may have shareholding in many companies, and she is sitting in a couple of boards. She's a great value for shareholders who are looking after us and she's doing a great job with Sydney Airport, she did excellent job. I would like to thank you and endorse her for this position. Thank you.

Philip Chronican: Thank you very much for that. Can I also say, Ann referenced her time or her role at NAB as Chair of our Customer Committee which we established post the Royal

Commission. I think that's been a significant contributor to the Group's improved market shares and customer satisfaction rankings, so I would endorse your comments there. There are no further questions in the room. There is one further question, sorry. Number three.

Operator: Chair, I would like to introduce Mr Craig Caulfield again.

Philip Chronican: Thank you.

Craig Caulfield: (Shareholder) Thank you, Chair. I'd like to just briefly endorse Ann Sherry. As Chair of the Customer Committee I made a request to meet with Ann and I was really pleased that Ann met with me one-on-one, and we discussed a range of issues. That's important because I represent 15,000 bank victims from Bank Reform Now and from Bank Warriors. The biggest part is being heard and being listened to and Ann's always been exceptional at that and always meets us after the AGM, so I fully endorse her. A conflict of interest, we're both Queenslanders. Thank you.

Philip Chronican: I think that's called an alignment, not a conflict, but yes. Thank you.

Phone operator do we have any questions on the re-election of Ann Sherry?

Operator: There are no phone questions.

Philip Chronican: Thank you. Jessica, do we have any questions online on the re-election of Ann Sherry?

Jessica Forrest: There are no online questions, Chair.

Philip Chronican: Thank you. The Board recommends that shareholders vote in favour of the re-election of Ann Sherry. Shareholders, I now formally put to you Item of Business 1(b). Please record your vote now if you've not already voted.

Christine, would you now like to address shareholders on your election?

Christine Fellowes: Thank you, Chair. Fellow shareholders, I'm honoured to be standing for election to the Board of National Australia Bank, an organisation that plays a central role in Australian communities and is dedicated to the prosperity of our customers and stakeholders.

Over 30 years I've built my executive career leading global consumer serving organisations in the media, marketing and technology industries including Turner Broadcasting, the Omnicom Group, Comcast-NBCUniversal across Australia, New Zealand and Asia.

My strategic and operational experience is in leading complex businesses in regulated industries where technology has transformed the landscape, offering opportunity to elevate the customer experience and build stakeholder value.

My career success has been defined by my ability to anticipate and successfully navigate evolving and fast-moving market, consumer and workforce dynamics. Of relevance is my experience balancing traditional business operations serving local customers with the ambition for modernisation and investment through digital products. This underpins my belief in a disciplined and analytical approach to innovation and growth. I aim to bring a technology and innovation perspective to the boardroom.

I'm known for my curiosity, my willingness to listen, learn and respectfully challenge while holding leaders to account when required. Having recently retired from full time executive roles, my focus is now on this directorship, as well as working to advance research and advocacy for inclusion and diversity in the workforce. I have the time and energy to serve as a Director on your Board. Thank you to the Chairman and Board for your support. It would be my honour to represent shareholders on the Board of NAB. Thank you.

Philip Chronican: Thank you, Christine. I now invite questions on Item 1(c), the election of Christine Fellowes. Are there any questions in the room? Number two, thank you.

Operator: Chair, I'd like to introduce, again, Natasha Lee.

Philip Chronican: Thank you.

Natasha Lee: (Shareholder) Thank you, Chair. I note that Christine talks about technology and diversity. This is probably more of a comment than a question but she might be able to bring some of her knowledge. I've noticed that there's been more of a push towards having everything on one device in so far as technology - I'm not against technology of course, but I see that there's a risk and a danger.

Give an example is that I only ever do my banking on my own laptop. There's a push to have your phone as having the banking app and everything. I see that as a potential danger as far as someone hacking the phone, being a victim of the Optus and the Medibank scandal hacks. I think that it needs to be, whilst I'm happy for a pin number or something verification to be sent to the phone, I keep those two devices separate to keep the technology separate so if a hacker did get into one component, they're not getting everything. I think that that's something which, one of my observations.

As far as diversity and things like that, there's also a push towards biometric verification and something, definitely I'm in favour of that technology, but only if it's proven. Another example is whenever I go through the airport most of the time the cameras don't recognise me.

I'm not sure whether that's an ethnicity matter or something else, or whether I just look like a thousand other people, but that's something to be aware of as far as the development and making sure that any product is fit for purpose for everybody and not just the white Caucasian population. I just bring that to the table.

Does Christine have particular comments about her experience in those areas?

Philip Chronican: I don't think it's helpful for Christine to answer those. Those questions about security and online are ones better directed when we have conversation after with our technology team or our retail banking heads.

Natasha Lee: (Shareholder) Yes.

Philip Chronican: I can just endorse your comments about facial recognition, though. My phone doesn't recognise me when I get out of bed in the morning either.

Natasha Lee: (Shareholder) That fine. I wasn't actually - I was just giving Christine the opportunity if she wanted to add anything.

Philip Chronican: No, look it's fine, but thank you, Natasha, for making the comment. No further questions in the room? Phone operator do we have any questions on the election of Christine Fellowes?

Operator: Thank you. There are no phone questions.

Philip Chronican: Jessica, do we have any questions online on the election of Christine?

Jessica Forrest: Thank you, Chair. There are no questions.

Philip Chronican: Shareholders, the Board recommends that you vote in favour of the election of Christine Fellowes. I now formally put to you Item of Business 1(c). Please record your vote now if you've not already voted.

Carolyn, would you like now to address the meeting on your election.

Carolyn Kay: Thank you, Chair. Good morning, fellow shareholders. Thank you for the opportunity to address you today. I am honoured to be considered for the Board of National Australia Bank. NAB is an important financial services organisation that has been

contributing to Australia's economic well-being since 1858. I have personally banked with NAB since university.

I have been working in the financial services sector as an executive and non-executive since 1985. I started as a lawyer in the Banking and Finance Department of Linklaters in London, and from 1988 worked for Global Banks, JP Morgan and Morgan Stanley in Australia, New York and London.

As a non-executive director I have worked at a number of financial services organisations in banking and asset management, as well as a range of other sectors including government, retail, real estate and logistics. In the government sector I am currently a member of the Foreign Investment Review Board and recently concluded my second term as a guardian of the Board of Australia's sovereign wealth fund, The Future Fund. I was also a member of the panel of the Australian Government's Retirement Income Review. I actively contribute to the not-for-profit sector, currently on the boards of Sydney Grammar School and the General Sir John Monash Scholarship Foundation.

I was raised in an environment where there was a strong belief in serving the community, and I work to achieve that. I believe that my broad range of experience to date in financial services and other sectors will contribute to the already highly capable Group comprising the NAB Board, and I have the time capacity to fulfil this role as required. In addition, I am a strong believer in continuous learning and reinforcing knowledge acquired in the workplace with formal education.

In the short time that I have been on the Board, I have a great respect for the skills and commitment of both the management team and Bank Directors. I would like to thank them and you, the shareholders, for your support. It is with a commitment to work diligently for you that I offer myself for election to the NAB Board. Thank you.

Philip Chronican: Thank you, Carolyn. I'd now like to invite questions on Item 1(d), the election of Carolyn Kay. Microphone attendants, do we have any questions in the room for the election of Carolyn? Doesn't appear so. Phone operator, do we have any questions on the election of Carolyn Kay?

Operator: [Inaudible] phone questions.

Philip Chronican: Thank you. Jessica, do we have any questions online on the election of Carolyn?

Jessica Forrest: Chair, I have no questions.

Philip Chronican: The Board's recommending that shareholders vote in favour of the election of Carolyn Kay. Shareholders, I now formally put to you Item of Business 1(d). Could you please record your vote now if you've not already voted?

Alison, would you like now to address the meeting on your election?

Alison Kitchen: Well, thank you, Chair, and good morning, ladies and gentlemen. I'm pleased to offer myself to serve on your Board of Directors. A strong banking system is essential to building a strong Australia. I aim to contribute my knowledge, skills, and experience from working in global and national leadership roles and professional services, together with my external audit experience in banking and other sectors to NAB.

I believe this will be useful to NAB in building the trust and respect of our shareholders, customers, colleagues and the broader community as we support the challenges facing the nation. I qualified as a chartered accountant at KPMG and had a 40-year career as an external auditor. Alongside which I served in various governance and management roles.

Most recently, I was the national chairman of KPMG Australia and a member of our global and regional boards. Those were roles that I held for six years. As national chairman of KPMG, I also ran our board education program which advised directors of ASX listed companies on current and emerging governance issues.

I continue to serve as a non-executive director at Business Council of Australia and Australian National University, two institutions of national significance. I've been privileged in all of my roles to work with purpose led and values driven organisations that all play their part in supporting the community.

My external audit career spanned industries including mining, energy, and industrial products. And I served as the lead external audit partner on another of Australia's major banks. My qualifications and experience give me the appropriate financial expertise to chair the Board audit committee.

I believe I am well qualified to contribute to the Board's deliberations on a range of other matters. I'm confident that I have the time to devote to the requirements of serving NAB and I look forward to using that time to contribute constructively to NAB's agenda.

I'd like to thank the Chairman and my fellow Board members for their support and I would really welcome your support. It would be a privilege to serve you. Thank you.

Philip Chronican: Thank you, Alison. I'd now like to invite questions on item 1(e), the election of Alison Kitchen. Microphone attendants, do we have any questions in the room? Attendant number two.

Operator: Chair, I would like to introduce Bruce Bennett.

Bruce Bennett: (Shareholder) Thank you Board members and I would like to also to endorse all those existing and new Board members to the Board. But I do have one comment and perhaps in future, we might like to try and find someone from the Board who has specific expertise in issues such as cybersecurity, AI, and other technology facing things.

Because as we've seen from other companies, where this input hasn't been available as part of the board, there have been some major problems. Even companies like Optus, which you think would be pretty good on this sort of stuff has failed.

So I would just - a comment would be perhaps going forward, the Board might like to look at providing some expertise on the Board level rather than just through the executive that can provide that input into issues such as AI and cybersecurity. Thank you.

Philip Chronican: Thank you. No, and thank you for that. And actually, I can say that in our own assessment of our skill mix, we also believe that that's an area where we would be able to strengthen our capability.

But we're not sitting, waiting. We have taken the opportunity during the year to provide some intense training for the current Board on these issues. Including a number of the Board visiting a range of businesses engaged in cybersecurity issues and evaluating that during the year.

So we are conscious of it. Actually, it's a very valid point, and it fits with our skill matrix which we have disclosed in the governance statement. So thank you for the comment.

Phone operator, do we have any questions on the election of Alison Kitchen?

Operator: Thank you. You have a question from Mr [Malcolm Norman] at [John Cayda]. Please go ahead. Pardon me. Sorry, Malcolm. Your line might be muted.

Philip Chronican: Questions online?

Jessica Forrest: Chair, there are no online questions.

Philip Chronican: Thank you. The Board is recommending that shareholders vote in favour of the election of Alison Kitchen. So shareholders, I now formally put to you item of business 1(e). Please record your vote now if you've not already voted. Thank you.



I'll now come to the matter of Stephen Mayne's self-nomination for election as Director. Stephen nominates himself as a Director and offers himself for election in accordance with the Company's constitution. Stephen's nomination is not endorsed by the Board.

Stephen has not been part of our Board renewal process and has not engaged with our usual director candidate assessment process. When we have vacancies, we use our Board skills matrix as a guide to the skills and experience that would best serve the Board and the Company at that time.

Also, as the Board of a complex and regulated financial services institution, we identify candidates with suitable and proven relevant experience. With Stephen not engaging in the process, it is unlikely he would have had the skills or breadth of commercial experience necessary to perform as a Director on the Board.

If a majority of shareholders did vote in favour of Stephen's election, his election as a Director would become effective only after he met prudential regulatory requirements for a Director. The Board is recommending that shareholders vote against item 1(f), the election of Stephen Mayne. Stephen is unable to join us in person today and instead, has recorded a brief speech. I understand he will be available by telephone to respond to questions. So we will now play Stephen's speech.

Stephen Mayne: Good morning. Firstly, apologies I can't be there today, I'm in Melbourne. But I really appreciate NAB has given me this opportunity to speak briefly to my nomination for the Board. I am primarily running on a platform that NAB delays its annual meeting until the back half of January or into February. This is to satisfy the very important governance principle that nominations for the Board should not close before the annual results are released.

Now, at the moment, NAB has an end of year of 30 September and they rush the AGM to hold it just before Christmas. But what this means is that to run for the Board, you have to nominate by 14 October. But they didn't even release the full year results until 9 November, 18 business days later.

Now in political elections, in Victoria for instance, after the election is called, the independent treasury secretary releases an independent update on the state of the books so that all voters and candidates and participants in the election can see what the state of the finances are before deciding whether to nominate and how to vote.

This is what NAB and the other big banks with their 30 September balance dates should do. Now, it's not as if the current pre-Christmas AGM is popular. In 2022, there were only

500 attendees, 311 in the room and 189 online.

In 2021, there was just 179 online. In 2020, just 224 online. And in 2019, the last before COVID, just 365 in the room. NAB has more than 500,000 shareholders but that's a total of 1268 registered attendees during the last four years. In my opinion, they're not trying.

If there was a NAB branch that had such tiny participation or foot traffic, it would have been closed years ago. So rather than moving the AGM all over the country, they should stick with having it in the back half of January or in February in Melbourne. Coincide it with the Australian Open, encourage shareholders to come, go to the tennis, tax deduct their trip, and participate in the AGM and commit to a Melbourne AGM every year.

Now, I've asked all the big banks to move on this issue and none of them have. I asked the ASX to move on this issue and they did this year. They delayed their AGM by a month. So I'm going to continue running for the boards of these big banks until they get with the program and satisfy this basic governance principle of announcing their full year results before closing nominations for the Board.

Thank you for listening and I'm happy to answer any of your questions on the phone. Have a good day.

Philip Chronican: Before I invite questions on item 1(f), the self-nomination of Stephen, Stephen, you might be interested to know we have 237 people in the room, 124 online, and approximately 240 webcast viewers so I think we're doing okay. But I will ask if we have any questions in the room and I think at microphone number two.

Operator: Chair, I would like to introduce Mr [Kaz Kazim].

Philip Chronican: Thank you.

[Kaz Kazim]: (Shareholder) Good morning, Mr Chronican. I'd like to support Stephen Mayne. I think - with due respect to the Directors already on the Board, that's fine. But what we need, these are challenging times, we need some pot stirrers. We need somebody to stir the possum and I think he's been a campaigner for a very long time.

I think we need some contrarian thinking and I think it's about time we gave him a go. I mean this is just - you know, we keep talking about online learning, continuing education. But none of us - none of the Directors tell us exactly how they are engaged in continuing lifelong learning.

Perhaps I'd like to draw their attention to a paper by Professor Chris Argyris who said teaching smart people to learn. And he interviewed the most successful CEOs in the United

States and found they took the view that if it ain't broke, don't fix it. Which meant - and he used the Socratic method by uncovering the weaknesses.

So all I'd like to do is I'd like to see Stephen Mayne and thank you for nominating yourself and continuing to stir the possum. Please get on the Board. I hope a lot of the Bank shareholders will take the step at some time and realise that you have a lot to contribute. Thank you.

Philip Chronican: Thank you and thank you for your comments. No further questions in the room. Operator, do we have any questions online?

Operator: Thank you. There are no phone questions.

Philip Chronican: We've got a hand being raised. We can bring a microphone to you if you'd like? No, no, I'll get a microphone brought to you. Just wait a sec. Okay. Do we have a roving mic? It's coming now.

Operator: Chair, I've got Colin Odewahn.

Philip Chronican: Thank you.

Colin Odewahn: (Shareholder) Colin Odewahn is my name. I'm a former farmer from southern New South Wales and I was a great supporter of the AWB. Grower owned AWB which sadly was destroyed in 2008.

Now, Mr Mayne, his name goes back and he was one of the main instigators to bring that company into disrepute. So I would suggest don't vote for him onto the Board of this company. That's just what I think of him. I've got a long memory.

Philip Chronican: All right. Thank you. Microphone one.

Operator: Chair, I would like to introduce Fiona Bachmann.

Philip Chronican: Thank you.

Fiona Bachmann: (Shareholder) I thank Mr Mayne for his nomination and broader perspective and what he said about governance is very valid. But I'm always very dubious about anyone in any election that runs on a single platform and what else they have to offer beyond that platform and will they still be involved or active, contributing to other areas in the Bank. So I'd like to know what Mr Mayne has to offer as well.

Philip Chronican: Fine. Stephen, if you can, you've been asked what else you might be able to bring to the Board. Do you want to respond?

Stephen Mayne: Thanks, Fiona. Look, I was the banking writer at *The Age*. I have a

commerce degree. I've been a chairman of the finance committee at City of Melbourne. I've served on some smaller boards. So look, I've got some governance experience and some commercial experience. I started Crikey.com.

But Fiona, the honest truth is that the proxy show I got 1.24% support from the voted shares. It probably would have been closer to 50/50 in terms of the number of shareholders voting. It would be good if the Board could disclose that with the results. But it's academic because I won't be elected, I've only got 1.24%.

I just want the Bank to follow good governance and to delay their AGM to try and attract more people to attend and so they don't close off nominations before they release their results. It's a basic governance thing.

Very few companies do this and I'm just trying to pressure them to better governance to fix this anomaly where they think a rushed pre-Christmas AGM is good when it's not good to close off nominations for the Board before you've even told the shareholders how you went for the year.

So if they announce a shock \$5 billion loss next year, it will be too late for people to run for the Board to challenge them. So why the rush? Do it in January or February and that will be like every other company and it will satisfy good governance principles.

So that's the issue, not my skills. I'm only running just to try and elevate this issue and pressure them to amend the way they run this important governance meeting.

Philip Chronican: Thanks, Stephen. Jessica, do we have any online questions?

Jessica Forrest: There are no questions online, Chair.

Philip Chronican: As I've already indicated, the Board is recommending shareholders vote against the nomination of Stephen Mayne. Shareholders, I now formally put to you item of business 1(f). Please record your vote now if you've not already voted.

Item number 2 is the remuneration report. The remuneration report is in the 2023 Annual Report. Items 3(a) and 3(b) relate to deferred rights and performance rights to be granted to the Group Chief Executive as part of his remuneration package.

The explanatory notes in the Notice of Meeting describe this in detail. One theme in shareholders' questions and comments in advance of the meeting was on executive pay and benefits.

We have set our executive remuneration strategy to meet external pay relativities and to retain and attract talent appropriate to a company of NAB's size and complexity. The\_\_\_

executive team's remuneration is a combination of fixed and variable remuneration, some of which is short term and some long term.

As I said earlier, the variable reward outcomes for the executive team this year reflected strong performance on financial measures and good progress being made against our strategy. But recognising that some targets for customer, market share, and gender equality were not fully met.

Before turning to the resolutions, I'd now like to invite questions on all of the remuneration items. That is the remuneration report and the deferred rights and performance rights for the Group Chief Executive.

Are there any questions on the remuneration report? Microphone attendant number two.

Operator: Chair, I would like to introduce Mr Phillip Sacks.

Phillip Sacks: (Shareholder) Thank you, Chair. Let me say, I appreciate the meeting being held in Sydney. I'll be voting against the remuneration report and the others and I encourage others to follow suit. I'll explain my reasons.

NAB has some really excellent products. However, it is seriously let down by many of its processes, people, and management. I might just give two quick examples. Two of many. NAB blocked the account of a customer of 23 year standing because of some newly arisen but long and drawn out know your customer issues.

For all those 23 years, NAB had access to a significant amount of free money. That is money in a non-interest-bearing transaction account. NAB's KYC process was bizarre. Matters were made much worse by breathtaking unprofessionalism of NAB's KYC staff.

The NAB representative seemed to make things up as he went and those things were commercially incomprehensible. And this was communicated to NAB. For goodness' sake, your representative did not even understand what a trust was. Things that should have taken a few days to resolve took months.

That landed up with the Australian Financial Complaints Authority, AFCA, and NAB had to fork out a few thousand dollars for its incompetence. And the customer of 23 years? Gone. Forever.

UBank is probably the worst. A really, really great product but when UBank switched customer accounts from the old UBank to the new 86 400 accounts in May 2023, one would expect that they would continue to honour existing direct debits for a while. Indeed, UBank promised to honour existing direct debits to 31 July. But it didn't.

Direct debits were immediately dishonoured. A client of mine got stranded overseas when his credit card was not paid because the direct debit was not honoured. And this was a mere four days after the switch to the new account. This caused massive problems, as you can imagine.

Where was management? Where were the adults in the room? In 2022-23 financial year, of all the financial institutions in Australia, NAB had the second highest number of claims with AFCA, 6,119, 39.45% more than Westpac.

Speaking of Westpac, a client of mine had raised a dispute with Westpac. It was resolved within eight minutes in one telephone call. Just think of all the extra staff and all the extra cost that NAB has to bear because of their incompetent systems, a lack of competent management, and most of all a highly unprofessional complaint resolution process.

Now if this is news to the Board and the Executive Management, then I say to you, you have not been doing your jobs, for which you are so well remunerated. If this is all not news to the Board, then I'll say to you that you have not been doing your jobs, for which you're so well remunerated.

Maybe this is part of the reason why NAB's share price is about the same as it was 20 years ago. So, for these reasons, I will be voting against the remuneration report and I exhort others to do the same, thank you.

Philip Chronican: Thank you. I'm going to ask our Chief Executive, Ross McEwan, to briefly respond to those questions on KYC and UBank.

Ross McEwan: Thank you, Phil, and thank you for the opportunity to have a conversation about those issues. It is very clear that we are having to do a lot of remediation work on KYC. This is making sure we've got all the detailed information about our customers. We found ourselves in a position of being in an unenforceable undertaking with one of our major regulators, because it was found that we had not done over probably decades of time, connected the right amounts of information about each of our customers to meet regulation.

So, we are under an enforceable undertaking, which means we do have to go back to many of our customers, many of them going back further than 20 years, some of them going back 40 years, where we have to get the information. A huge task and we have a very big team of our colleagues doing that.

We do notify customers at least three times, of the information we require, before we actually do have to take, and unfortunately we do have to take the action of stopping an account to actually get some interaction with a customer. It is an unfortunate thing we have to do, and it is actually really problematic for both our customers and our colleagues, who end up having to deal with pretty disgruntled customers, but that's the situation we're in. We'll be through this in the next 12 months, but we do have to do this work to make sure that this Bank is doing what is regulatory required.

So, that's on the KYC and we've got a lot of work and a lot of it's very detailed, and you talked about trusts, that is probably some of the most complex work we're doing. The second piece is around UBank, we made the decision to re-platform UBank, which is our digital bank. It is on a very old platform which was hardly digital, and we moved to take the decision to actually buy a company called 86 400 and moved the customers across. Unfortunately in doing that for customers, we actually had to move their account BSB numbers from an old 86 to the Bank.

The vast majority of those were moved across very, very easily and able to communicate with customers. By the sounds of it, one or two of those or a number were not done well enough, and for that I do absolutely apologise. We've got a team outside that are very happy to have a conversation on that, and we're doing some pretty strong work to get that back into shape.

But I do appreciate the issue around UBank, but that was a major task of re-platforming that business, all done in a reasonably short period of time. My apologies for the inconvenience that it has caused, and I guess we need to do better, but I've got a great team of people that are dealing with complaints on a regular basis, and obviously we'll endeavour to do a hell of a lot better than we are. But thank you for your question and commentary.

Phillip Sacks: (Shareholder) Thank you, Ross. Actually you've explained the background to my complaints, the complaint was, it wasn't a question, it was a comment, is the competence of your staff, if they were competent the KYC issues could be resolved very quickly. As I said to you earlier, the issues raised by the representative are commercially incomprehensible, and they were told that. As for UBank, your Complaints Management Team shouldn't be working for NAB.

Philip Chronican: Microphone attendant number three, Mr Caulfield.

Operator: Chair, I would like to reintroduce Mr Craig Caulfield.



Craig Caulfield: (Shareholder) Thank you, Chair. Just an item of procedural business. There is a shareholder in the room today who was registered as a shareholder yesterday, having purchased them T+2 prior to that and has been told he can't speak here today. I don't think that's right. Maybe there's a mix-up with proxy or there's different rules there. He's not a proxy, he has his own shares. Would you allow him to speak?

Philip Chronican: Let me consult. Is the shareholder with you today?

Craig Caulfield: (Shareholder) There's a shareholder here, yes. You've met Spiro Arkouzis before, he's been very polite with you.

Philip Chronican: If he can walk over and stand with you by microphone three, I'm happy to take that question.

Craig Caulfield: (Shareholder) Thank you. My question in terms of rem, I'm not happy to endorse the payment when the measures for customer satisfaction uses net promotor scores. I've raised this before, I raised it at the other AGMs. My sense is that APRA, the regulator, has asked boards to bring in non-financial metrics, perhaps 50%, something like that. You're responding to that in doing these types of things.

But net promotor score is a lazy, not accurate and gamed way of bringing in a number. In any case, you talk glowingly of it and the net promotor score reads here on page 5, as negative 2, yet you're number 1 amongst the major Australian banks. If a net promotor score can get to 100, if Apple can be 60, if Adidas can be 40, if Bendigo Bank can be 30, if Perpetual can be 50, if Unyoked can be 80 and you're spruiking that negative 2 we are the leaders, that is as very poor measurement.

So, it's not to say that you don't get some value from net promotor score, it's the balance between those who are advocating for the Bank and those who are saying we would never advocate for the Bank. That's an interesting measure to get. But I know that if I'm in disputes with a bank, I don't get these little surveys coming to me saying, Dear Mr Caulfield, how would you rate the Bank today? They know what I might be sending.

We've got people like Professor Sheedy from Macquarie University, that talks about the failures of net promotor score. So, I think Ross McEwan has done an excellent job on many fronts, we're talking about rem across the board, but given that I've raised it before, it's not a good measurement. I'm not happy to vote in favour of it.

Philip Chronican: Thank you, thanks Mr Caulfield. I just want to address one element of your question. So, we have pressure from a lot of people, APRA, our large investors,

proxyholders, to have simple and easily measured outcomes on our score cards for remuneration. But as a Board, we don't take any of them at face value. We observe the result that comes out and then we look more broadly across things.

So, in this case in a customer area, we look more broadly not just at the net promotor score, but we look at how have we performed in market share, how have we performed in other surveys, how do we perform in terms of complaints. Because one of the things we're concerned to is not lock ourselves into a single measure with a single outcome.

So, you can rest assured that across all elements of the scorecard, we do sense check the outcome to make sure that it's not distorted. The other is that the surveys on which this is based are run by third parties, not by ourselves, so we certainly don't have the opportunity to exclude you if you're in dispute, it's up to the survey agency, so thank you.

Craig Caulfield: (Shareholder) Well I'm not unhappy with NAB, so that's...

Philip Chronican: That's all right, happy with that.

Craig Caulfield: (Shareholder) You've mentioned that there's several items. If you read page 5, the only item there that you're talking of with customers is the net promotor score.

Philip Chronican: That is the score that's in the scorecard, that's correct.

Craig Caulfield: (Shareholder) Westpac yesterday said you're saying you're first with negative 2, Westpac has positive 2 and said they're coming second or equal second.

Philip Chronican: I don't know.

Craig Caulfield: (Shareholder) So either way, there's something that's - there's not something standardised here.

Philip Chronican: Yes, I'll definitely look into that one. I get as confused as you do on some of these competing claims, so thank you.

Craig Caulfield: (Shareholder) Thank you, I'll pass.

Philip Chronican: Microphone attendant number one.

Operator: Chair, I would like to introduce, Michael Sanderson.

Philip Chronican: Mr Sanderson, welcome.

Michael Sanderson: (Shareholder) These short people.

Philip Chronican: I'm fine with that.

Michael Sanderson: (Shareholder) Sorry, be aware I've had three hours sleep. I'd like to make a comment to start with, and I'm reading from my handwritten notes and my handwriting is atrocious. I'd like to make a comment about the real environmental, social and governance risk.

I arrived home last night at 9:30pm after attending the Westpac AGM in Brisbane. I live in Pelaw Main in the Hunter Valley, which was threatened by a catastrophic bushfire event yesterday. I was met by half a dozen fire trucks and approximately 50 exhausted firefighters, at the end of the street when I got home.

They, the police, the SES, the volunteers and others, received no additional reward to clean up the global mess of big money and big business, that's a comment. My question, funnily enough, relates to ESG. In 2021, ESG risks, including climate change, were added to the Group's risk management framework for the first time under the category called sustainability risk.

According to the 2022 CDP, Climate Change Disclosure Statement, Chief Executive, Ross McEwan, received a monetary reward for Company performance against a climate related sustainability index. Could you confirm whether the reduction in energy use across the Group, was a factor in determining Mr McEwan's latest bonus for delivery of annual goals that drive the Group's strategy?

If so, what was the weighting of this factor as part of the entire amount? How many other Executives and staff are assessed for bonuses using the sustainability risk category?

Philip Chronican: Just to explain the remuneration framework. The Group performance indicator, which is the overall score that we assess everybody in the Company against, which effectively drives the way we fund variable remuneration, does not explicitly have those items in it, but they are part of the overall accountability of the Chief Executive.

This year, as I mentioned in my speech, the categories that were covered were employee or customer, there was some what we call safe growth initiatives, so they do relate to our control environment, and there were some financial measures. That overall outcome was 90. So, then for everyone who receives variable reward in the Company, started off at 90% of their target and then based on their individual performance would receive either a little more or a little less than that 90%.

In Ross's case, he was assessed at having performed at 1.2 times his outcome, so therefore he got 90 x 12, which I think when I went to school was about 108. So, Ross's outcome was 108% of his target. There's no explicit link to our energy usage in that

number, other than as part of the overall assessment of Ross's performance, delivery against our sustainability goals is taken into account. Thank you.

Michael Sanderson: (Shareholder) My second question is, APRA increased the minimum capital requirements and introduced a capital buffer last Tuesday.

Philip Chronican: It's not true.

Michael Sanderson: (Shareholder) It came off the...

Philip Chronican: They confirmed last Tuesday the measures they put in place about two years ago.

Michael Sanderson: (Shareholder) That's odd.

Philip Chronican: The unquestionably strong capital came into it, which is what they've been working on, came into effect about two years ago. Then in January this year they changed some of the weightings used to calculate it, and then they provided a discussion paper last week which just updated some of the minor, really some of the minor administrative elements of it. The buffers were put in place two years ago.

Michael Sanderson: (Shareholder) Okay, well I stand corrected on that. As I said, it wasn't my interpretation and I'm not an expert in the area.

Philip Chronican: No, so there's been no change in our capital requirements in the last week.

Michael Sanderson: (Shareholder) Okay, that's fine. I've got a couple of other questions but let someone else have a go.

Philip Chronican: Sure. Microphone number three.

Operator: I'd like to introduce Mr Roman Kniznikov.

Roman Kniznikov: (Shareholder) Thank you, Mr Chairman. I would like to thank you, your Board and your management for doing hard job, and to keep top people we need to pay them top salaries, otherwise they will leave us, so there is no argument about the package.

The only thing which I would like to raise is why some of the problem which your Bank, by the way I would like to thank the resolution team who actually come on board and tried to help me, but they aware of the problem and this only happen with your Bank, with your nabtrade. I'm dealing with CMC, I'm dealing with the NZ Trade Links, I'm dealing with

CommSec, never a problem with the different entities because I have self-managed super fund, I have personal account, I have company account so it's everything multiplied.

But only with your nabtrade, there's a problem which been for a while and still can't be resolved and still you guys are working on it. I don't know why you have this problem in first place, how you can report to tax office, and I'm happy to go with also someone to explain the problem further, I don't want to bother with all the shareholders with this one.

But this problem been for a while only with your Bank, when you reporting to tax office, different entity as a tax - instead of put it to correct entity. For us can explain why its problem exist and why it can't be resolved so quickly? Thank you.

Philip Chronican: Thank you very much for your question. I'm going to ask Andrew Irvine to stand up, and Andrew will look out for you in the meeting afterwards. No, we're not going to answer it now. Andrew will meet up with you afterwards. Andrew runs our business and private Bank that incorporates nabtrade, and he'll be able to make sure your question gets appropriate attention. Thank you for that. Andrew, can you make sure you do that please? Microphone number two please.

Operator: Chair, I would like to re-introduce Mr [Kaz Kazim].

Kaz Kazim: (Shareholder) Thank you again. This rem committee comes up with the recommendations for people who pretty well looked after by the Bank anyway. I'd like to thank Mr McEwan for having cleaned up the Bank, it was in a pretty bad state. But my interest is essentially with those that - a large part of the team works very hard, you give them credit, great workers, teamwork et cetera.

But my question is, how do you recognise, sorry, multi rate recognise and reward all the staff that do the hard work, produce the results on which the bonuses are then given to the top teams all over the place? They're getting pretty good luca as far as I can see. But my interest is finding out what opportunities do you give them for growth, learning, life-long learning?

Philip Chronican: I can answer that personally. I joined a bank in 1982 in a pretty junior role, and it wasn't this Bank, but thankfully the industry has given me massive opportunities over the years to learn and grow. We certainly aspire to that in our organisation. As you know we have around 38,000 fulltime equivalent people, many of whom have the opportunity to learn and grow across different jobs.

Fewer of them actually get variable reward today than there would have been in the past because of some of the post Royal Commission changes that were made. But we do give people development opportunities, learning opportunities, they get access to our staff share scheme, which we provide equity to all of our Australian staff.

One of the things I've been very pleased to see is the way in which many of the executive appointments over the last two years have come from within the organisation. So, we're giving people growth opportunities as well.

But I absolutely endorse the points you're making, which is that this organisation will be best served if the future generation of leaders are people who understand the Bank well, both in detail, but also from experience across a broad range of activities so they can see the interconnectedness of those, and that is one of the things we seek to do with our people. Thank you.

Kaz Kazim: (Shareholder) Okay...

Philip Chronican: Can I go now to microphone number three, please.

Operator: Chair, I would like to introduce Mr Spiro Arkouzis.

Philip Chronican: Thank you.

Spiro Arkouzis: (Shareholder) Good morning, thank you, Mr Chairman. Mr McEwan, good morning. Firstly, I would like to congratulate both of you on a great job since we met in 2019. I think the growth, the stability, has been outstanding. It is not easy doing this job, and it is not easy managing so many people, both customers, and shareholders, and staff.

One of the questions that I would like to pose is, Mr McEwan, you mentioned about the Bank closures, earlier. Over the next 12 to 24 months, is NAB having more Banks to be closed and is that going to be relying on the Australia Post to take on that work? That's the first part of it, if you can give me some feedback on that please?

Philip Chronican: Actually, I am not going to put that question right now. We are trying to get the Remuneration Report out of the way so we can have the more general questions on the business.

Spiro Arkouzis: (Shareholder) Right.

Philip Chronican: So, what I will do is, I will hold that question and come straight back to you when we get the Rem Report dealt with.

Spiro Arkouzis: (Shareholder) Sure.

Philip Chronican: I will make sure that is priority one.

Spiro Arkouzis: (Shareholder) Okay.

Philip Chronican: Thank you.

Spiro Arkouzis: (Shareholder) All right, thanks.

Philip Chronican: Thank you. Microphone number one, please.

Operator: Chair, I would like to reintroduce Michael Sanderson.

Philip Chronican: Thank you. Mr Sanderson.

Michael Sanderson: (Shareholder) This goes to Bank closures. The ACCC stated in the ANZ Suncorp determination, there is an accommodative and synchronised approach between major banks which is not unexpected, and is enabled by the oligopoly market. There are probably another three quotes similar to that in that determination.

When New Zealand established the publicly owned Kiwibank, it is my understanding that the big four Australian banks stopped all branch closures immediately, and for the following six years, which included BNZ. The big four synchronised approach was sacrificing service on the sacred altar of obscene profit. Kiwibank entered a market offering a profitable service where it was claimed it was not profitable to operate.

This demonstrates that regional banks are profitable and are an essential service that communities, need, use, and support. How many NAB branches were closed during the 2022-23 reporting period? Would it improve NAB's moral compass, clarify its social obligations, and Board thought processes if a publicly owned PostBank was established here in Australia?

Philip Chronican: I am going to give you exactly the same answer I gave Spiro, which is that is not a question on the Rem Report, and we will take it at the appropriate time. Microphone number two, please.

Operator: Chair, I would like to introduce Ms Rita Mazalevskis.

Philip Chronican: Thank you.

Rita Mazalevskis: (Shareholder) Good morning, Board. Initially I thought the question would come under the next item, but I think it has developed this morning to come under the Remuneration Report. On page 27 of the Annual Report, it says that, this year NAB received an increase in customer enquiries in relation to scams and fraud - and just bear with me because it will tie to the remuneration, with an average of 1,500 scam cases



impacting NAB customers per month, an increase of 74% compared to 2022.

On page 95 under operational risks, it says the Group collects, processes, stores and transmits large amounts of personal and confidential information, and any disruption to the Group or the Group's external provider's technology can, amongst other things, result in the theft or loss of customer data.

The Office of the Australian Information Commission requires organisations covered by the *Privacy Act* to report data breaches under the notifiable data breaches scheme where they must also notify affected individuals if a data breach is likely to result in serious harm. Organisations also have obligations to report data breaches of customers' personal information to the General Data Protection Regulator EU, this includes, amongst other things, a lack of proper consent.

Now the Bank cannot protect its customers' personal information 100% or through third party channels. So, my question is, has the Bank reported any data breaches to the OAIC, or GDPR in the last 12 months? Are these incidents reported through the Risk and Compliance Committee? If not, where, as risk management is a component of the Group's remuneration performance measures? I could not find it in the Annual Report.

Philip Chronican: So, thank you. Risk management is part of the remuneration and any such item would be reported to the Board's Risk and Compliance Committee, and where there was any accountability for that, it would sit with the relevant executive which would, depending on the nature of it, be the segment head for business banking, or personal banking, or it could well be the tech and operations head. There were no such issues to report in the current year. Thank you.

Rita Mazalevskis: (Shareholder) Could I just ask, if there was, and it was an overall banking issue...

Philip Chronican: Yes.

Rita Mazalevskis: (Shareholder) ...like there was a banking breach of some sort, a cyber breach...

Philip Chronican: Yes.

Rita Mazzalefskos: (Shareholder) ...would that impact all remuneration?

Philip Chronican: It would, so it would - if it was of material impact to the Group as a whole, it would affect the overall, and if it was specific to a particular area, it would affect that executive, and under APRA's new standard for remuneration, CPS 511, they require

us - and if you link that to the Bank executive accountability regime, which is about to become the finance accountability regime, we are required to follow up on any of those major incidents and report on the remuneration consequences for the affected individuals. So, thank you.

Rita Mazalevskis: (Shareholder) Okay, great. Thanks.

Philip Chronican: Thank you for that. No further questions in the room. Phone operator, do we have any questions on the Remuneration Report?

Operator: There are no phone questions.

Philip Chronican: Thank you. Jessica, do we have any questions online, on remuneration items?

Jessica Forrest: Yes, Chair. I have a question from Mrs Mary Tredinnick. The question is, I concur with the shareholder voting against the Remuneration Report due to KYC and other unprofessional issues with respect to processes and management.

Philip Chronican: Thank you. Thank you, and thank you for the comments, Mrs Tredinnick. I think we covered that earlier, it was not really a question, but I understand the point. Jessica, do we have any other questions online?

Jessica Forrest: No, Chair.

Philip Chronican: Thank you. Shareholders, I now want to formally put to you items of business 2, 3(a) and 3(b) as set out in the Notice of Meeting. Could you please record your vote on these items now, if you have not already voted?

I am now turning to the next item of business, item 4, which is consideration of the Financial Report, the Directors Report and the Auditors Report. The *Corporations Act* requires the Directors to lay before the Annual General Meeting the Financial Report, the Directors Report and the Auditors Report for the last financial year. We have received two written questions for the auditor that were relevant to the conduct of the audit.

The first of these questions is, can the auditor please outline the procedures performed to address the specific risk of underpayment of employees and the results of those procedures? Tim, can you please respond to that question?

Tim Dring: Thanks, Chair, and firstly, thank you for the question. I thought before responding specifically to the question on our audit procedures, I would like to provide some context on the audit as a whole and the overall design of our audit procedures. As set out in our Audit Report, which is on page 256 of the Annual Report, our objective is to

obtain reasonable assurance as to whether the Financial Report as a whole is free from material misstatement.

So, as a result our audit procedures are therefore then designed to be responsive to those risks of material misstatement on the Financial Report as a whole, rather than opining on individual items.

In relation to the question, and it is certainly very relevant so thank you for that, the wages and salaries and related on costs are certainly material balance in the Financial Report as is the process around that too, and is certainly important to the audit of National Australia Bank. Our audit procedures in relation to the employed benefits expense comprise a combination of two things, testing internal controls and substantive procedures.

In relation to testing internal controls, we test the financial controls over the IT systems, the recording of employee master data, review and approval of those changes to employee master data, and also how the systems are configured, and how that employee master data is used for the calculation of base pay. We also considered the pay runs that occurred during the year, including the payment and approval process, and reviews of those variances through that pay run process.

As I said, we also complete substantive procedures, that included analytical review over wages and salaries, and also the testing of employee entitlement provisions. In addition, we also considered some of the disclosures, in particular, the undertaking by National Australia Bank in relation to payroll remediation, and we considered that disclosure as described in Note 31 of the accounts' commitment to contingences.

As I said, we do not provide an opinion on individual balances, but on the Financial Report as a whole, and the Financial Report was unqualified as on page 256. Thank you, Chair.

Philip Chronican: Thank you. Thank you, Tim. The second question was, can the auditor please outline the specific audit procedures performed to address the risk of the financial effect of climate change on the Financial Report and the results of those procedures? Tim, could you please respond to that?

Tim Dring: Thanks, Chair, and thanks again, shareholder, for the question in advance. Look, as part of the performance of our audit, we do consider environmental risks on the Financial Report, and the environment in which National Australia Bank operates. In particular, we do consider the processes used to identify, used to assess and manage climate related risks associated with the Group's mine portfolio, in particular.

Probably, most telling is the impact on collective provisioning and provisioning as a whole, and that is also disclosed in our Financial Report and the Audit Report as a key audit matter, which is also set out on page 256, and once again, our Audit Report was unqualified. Thank you, Chair.

Philip Chronican: Thank you. Thank you very much, Tim. Before I go to the microphone attendants for questions, more generally on the business, Ross, I wonder if I could get you to answer the question that was raised by Spiro and to some extent I think Michael Sanderson as well, which was around branch closures over the last year and the prospects for the next year, and then the second part of that, which was - sorry the second part of Spiro's question, was would we be relying on the Bank at Post?

The second part of Michael's was around Kiwibank as an example. So, perhaps you would like to comment on that? Thank you.

Ross McEwan: Thank you very much for the questions on both of those. Just a point of fact, we actually have closed in the last financial year, 67 branches. We do disclose every year the number of branches that are closed. So, that is just a point of fact. We have also invested over the last four years, \$280 million in our branch network. So, this is something that we are investing for the future in, but it will be a smaller network.

That network is dictated by the number of customers who use the network and what do they use it for, and where do they do their banking. As I said, 93% of our transactions are now done outside of our banking network, and they are done mainly online through either a tablet, or through mobile phone, or other technology devices, and there has been a major acceleration in that. We have had a very good relationship with Australia Post, and Australia Post has got 3,400 points, or presence, we do use and right across Australia.

Just as a matter of interest, that is well over 1,100 more points in towns, than we have ever been in, or we have never had towns, and I have had the opportunity of visiting a number of these services that Australia Post do deliver for our customers, and we have found them to be great partners, and we will continue to invest in them.

I was interested in the comment about the lack of competition when you have four or five big banks. This is not what we are experiencing. We are experiencing very strong competition. I would suspect that competition is greater in the Australian marketplace when you look at the deposit rates, savings rates, that we pay, even in comparison to a country like the US, that has well over 3,000 banks, and the rates that their customers are getting are well less than what our customers in the Australian marketplace are getting.

In 2008, there was 5% deposit rate being paid. But those days, the cash rate was actually quite a lot higher, it was running at about 6%. Today, the cash rate is at 4.35% and our depositors are getting 5%. So, it is a very competitive marketplace. I have been interested in the comments being made about setting up a bank in Australia that was government owned, and I understand that this is something that is being promoted at the moment.

I have experienced for a couple of decades now, being a New Zealander, Kiwibank and the New Zealand marketplace. I believe that the four banks over in the New Zealand marketplace, our bank, BNZ, is a highly competitive bank. The margins on some of the lending products in that marketplace are the lowest I have ever seen anywhere in the world. Right now, the margins on home lending in the Australian marketplace despite the rates being up at 6.5% to 7.5%, are actually lower than what they were when we were receiving 2% out of it. I know that you will find that very difficult, but the cost of money has increased quite dramatically, and the margins have reduced. It is a very competitive marketplace.

I would be interested to see what the shape of an Australian bank would be but you can guarantee that the major banks will compete very, very heavily with each other and with whatever other bank there is. So, thank you Phil, I think it is a very competitive marketplace.

We do not enjoy closing branches, but we cannot hold on to branches where the numbers of people and customers coming into those is declining at the rate they are doing, and where those customers are also themselves following their own pattern of operating, shopping, medical services, in other places, where they also bank with us in larger towns. That is just the reality unfortunately of what is going, but we do not close branches without huge thought, and thought about the customers and our colleagues.

But you can imagine the day if one of our colleagues in a branch network when you have something like 10 customers coming in through the day and we have to have three staff there to fill in for the gaps in the morning teas and lunches, and times which we want to give our people, and sometimes they are twiddling their thumbs with not a lot going on. I just do not find that acceptable, either, on behalf of our colleagues.

We have got a 98% hold rate of keeping those colleagues doing other jobs in the Bank when we do close those branches, and I think that is a great stat to look after our colleagues. Thank you very much for your questions.

Spiro Arkouzis: (Shareholder) Thank you, Mr McEwan, thank you. Chairman, just a part of

the second question. In relation to that, do you feel confident that Australia Post could take up the balance and give the service as NAB and other banks? If so, your thoughts, and a timeline for that to happen?

Philip Chronican: I cannot give a timeline, but let me just make one comment, as you probably know, Australia Post, themselves, are looking at their long run profitability, and I think, with the decline in letters they have been under pressure and they are keen to work with us. I know Ross and the team are keen to work with them to find things that we can do together that will help support their distribution network throughout Australia so that smaller communities have a point and presence to be able to support. So, we certainly look at our role with them as being beneficial both to them and to us.

Spiro Arkouzis: (Shareholder) Well, the reason - and thank you, Mr Chairman. The reason for me bringing up these questions is all about customer service and customer care, so that more that we are able to give exceptional customer service and focusing on the customer coming in, doing their loans, whether it is credit cards, personal loans, no secured loans, the revenue increases, and then the share price looks after itself, and you will see from potentially from \$30 go up \$35, \$40, and that is what, I think, as customers and as shareholders, we would like to see.

Philip Chronican: Indeed.

Spiro Arkouzis: (Shareholder) Thank you, Mr Chairman.

Philip Chronican: Agreed, thank you very much. I am going to go to microphone one, Mr Sanderson, I just want to make sure we have covered off your question.

Michael Sanderson: (Shareholder) Yes, I just have two points for clarification. You said that you cannot operate a branch when there is 10 people coming in. That is a fair comment, but what is stopping people that are not in front of a counter doing online stuff, and it does not matter where you are in the country, providing you have got the digital infrastructure there, you should be able to do the work that can be done in the city, or anywhere else. Now, if there is not the digital infrastructure there, you need a branch. Because digital is not going to work.

Philip Chronican: Thank you.

Michael Sanderson: (Shareholder) The other thing too, a little bit of pushback on the oligopoly comment, that's not my comment. That's the ACCC. Why would the ACCC make numerous comments with that then? They're a reputable body, they're not the - I'm not

saying the Bank lawyers are un reputable, but as I say, they've got a reputation, and they're a public body. I just don't accept the fact that the big four are a - what do you call it? They're not squeezed for competition, definitely not amongst themselves.

Philip Chronican: I think we've got to understand the context in which the ACCC made those comments. They're advocating for a position in a current hearing and there are others in the same hearing who are advocating different positions. I think everybody should read both sides of it.

Michael Sanderson: (Shareholder) That's true. That's true but again, you wouldn't expect a body like that to throw furphies around.

Philip Chronican: Thank you. Can I go now to microphone two, please?

Operator: Yes. I would like to reintroduce Ms Natasha Lee.

Philip Chronican: Thank you. Ms Lee.

Natasha Lee: (Shareholder) Thank you, Chair. Firstly, I would like to thank the Board for the results in the last year. I was pleased with that. A comment about your Annual Report though. You use grey text in the report. People with my eyesight have difficulty, reading it online I have to put it up to at times 150%. I ask that when you're developing the report that you consider people with other needs and at least have black text. There were a few tables with very small fonts as well, and I know you're trying to squeeze it into the page but that made it also difficult.

The question/comment is concerning domestic and family violence. I appreciate the extra resources which have been put into that process. Just talking about what's actually happening on the ground, I know that it's somewhat of a difficult and delicate situation but you mentioned that there are some collaborations with other government agencies.

Beyond that, I was thinking that if your team detects something or suspects something, if you block transactions does the person just go off to another bank or try another way? What other infrastructure and collaborations do you have to try and provide assistance, education, to help the poor customer?

Philip Chronican: We provide quite significant assistance to customers. We did change our terms and conditions, I think one of the first banks to change them, to suspend or terminate people who used narratives in accounts to send abusive messages. We blocked around 15,000 transactions a month last year on that basis, so it is a serious issue.



Through our NAB Assist team, if we detect a problem or if people come to us with a problem, we have the capability of providing grants for victims so that they can get reestablished. We try to be as flexible as we can on reestablishing banking credentials because sometimes the victims of family violence need to leave in a hurry without all their credentials so we need - we understand that people need time and support to reestablish those credentials.

Our support hub has supported over 750 cases in the last year, so it is something we do take seriously, and I know Ross, this is discussed at the ABA from time to time to make sure that there's a reasonably consistent approach being taken.

Natasha Lee: (Shareholder) Yes. No, I'm not saying that you don't take it seriously and it's a terrible scourge on society.

Philip Chronican: It's a horrible thing.

Natasha Lee: (Shareholder) It was sort of like the other components of merely just blocking or deterring this sort of behaviour I was interested in. No, thank you.

Philip Chronican: No, thank you. Can I go to microphone number four, please?

Operator: Chair, I would like to introduce Matthew Barrett.

Philip Chronican: Thank you. Mr Barrett.

Matthew Barrett: (Shareholder) Good morning, Chair, Management and Board. My question concerns the audit, so I would appreciate a response from the Bank and from the auditor. My question concerns the independence of the report and the potential for any conflict of interest or apparent conflict of interest. It's been obvious through various recent events in the past few years that both banks and auditors come across issues with compliance and with responsibility in their processes. It's fair to say that the Royal Commission wasn't particularly pretty and it's been good to see work going towards the results of that.

One blind spot of the Royal Commission that's been pointed out was its lack of looking into the potential conflict of interests arising from auditors also working as consultants for banks. It is clear that although legal barriers exist in this realm, legal barriers aren't always enough. As we've seen with recent events involving PwC, these aren't always followed. It's clear that EY has recognised the risk of this when it had planned to split up its auditing and consultant practices through Project Everest but that was scuppered by its US management team.

Two questions that I'd like to ask specifically is if you can tell us how much non-auditing work was done by EY for the Bank this year, the nature of it and potentially a dollar figure if possible, and secondly, how NAB and EY are ensuring that there is no conflict of interest as a result of that, not just to the legal limits but also further than that, to ensure that shareholders can be reassured there is no potential conflict of interest arising there. Thank you.

Philip Chronican: Thank you. Just while Louise is getting out the actual data on the audit fee, I will answer the second part. As part of our yearend control processes, we do a formal review of auditor independence at the Audit Committee and David Armstrong has been in charge of that over recent years and we go through that. Actually, it's quite a thorough process with the auditor.

The audit firms, for example, none of the partners or their families are able to have any financial interest associated with the Bank, so they can't have either shares in the Bank or loans from the Bank, and that stuff is quite diligently pursued. We then look at any other relationships that might exist and ensure - which obviously don't because we've been able to have a clean, independent outcome from it.

In terms of the payments to the auditor, the total payment - and I'll just give you in round numbers. The total payments to the auditor for the year were around \$25 million. Of that, about \$17 million was direct audit fee, so absolutely just for the audit, but another \$7 million or \$8 million is on what is called audit-related services. They're not part of the process of the audit but they are items that an auditor is normally expected to do. That might be where a regulator asks for an audit report on a specific issue or a debt underwriter wants an audit opinion on something, so these are there.

There's a handful of tax and non-audit services. If I added up the tax and non-audit services, it accounts to less than \$2 million out of the \$25 million, so it's a very small part. I have to say in my long business experience, I think NAB is probably more diligent than almost any other firm I know at avoiding having any non-audit work go to EY. If it's discretionary, our practice is not to have EY do it. Thank you.

Matthew Barrett: (Shareholder) Would it be possible to get a response from EY as well as to how they ensure that there are no conflicts of interest?

Philip Chronican: I can have Tim come up and give you - Tim, if you could just give a brief summary of EY's process for independence.

Tim Dring: Thanks, shareholder, for your question. As the Chairman has touched on, there was probably one item of non-audit services in there that probably stood out from the others of about \$500,000. Every non-audit service before we discuss that with the Bank or whether it's requested by the Bank comes through me for approval, for two reasons. One is I have to sign off an independence declaration as the lead auditor that our firm and I am independent, and to do that I assess every engagement that we undertake as a firm. The Chairman is correct, there is rigorous process that we go through and the Bank goes through before any of those non-audit services are performed.

Matthew Barrett: (Shareholder) Can I follow up quickly? I appreciate that there's a lot of these processes. Clearly, in the past these processes haven't always worked and I know that there were concerns raised in 2019 about work that EY did whilst at the same time being the auditor. Do you think that these processes need strengthening and are they the same ones that were there at the time or similar to the sorts of ones that existed at PwC when the recent events happened here?

As you say, you limit the relationships that exist between people who are auditing and consulting. I would say a significant relationship would be being partners in the same firm and that that relationship and that desire for an accountancy firm to look for profit would potentially lead to a conflict of interest or just the appearance that one could arise, and that that would be a concern for shareholders in wanting a clean audit.

Philip Chronican: Correct, and as a result, you'll see that there are no - none of our current or recent Directors have been EY partners for exactly that reason. Thank you.

Matthew Barrett: (Shareholder) Thank you.

Philip Chronican: Can we go to microphone number three, please?

Operator: Chair, I would like to reintroduce Mr Craig Caulfield.

Philip Chronican: Mr Caulfield.

Craig Caulfield: (Shareholder) Thank you, Chair. NAB has made steady improvements by simplifying its business, refocusing on the customer, increasing its share price, and moving from fourth to second in terms of market capitalisation of the big four, under Mr McEwan's stewardship.

This morning, my share trading app tells me ANZ's market cap is \$73 billion, Westpac \$78 billion, NAB \$93 billion, and CBA a lot more. If ANZ gets the green light from the Competition Tribunal to take over Suncorp, ANZ's share of home lending will then leapfrog

NAB. NAB would be relegated to the smallest of the big four in home lending. If regulatory conditions do allow small takeovers like ANZ with Suncorp, would NAB entertain selected acquisitions to bolster growth?

Philip Chronican: Thank you for that. Can I just make a comment about the home lending market share, and I'll rely on my Head of Personal Banking sitting in the front row to tell me if I've got this right or not. My understanding is that if ANZ took over Suncorp, their home lending market share would roughly bring them back into parity with where we are. Leapfrogging would be an overstatement.

Craig Caulfield: (Shareholder) Okay, I should correct that.

Philip Chronican: It might still take them a little above us.

Craig Caulfield: (Shareholder) I thought that it would just exceed.

Philip Chronican: It would exceed but only by a very small amount. Look, I don't think it would drive us to make acquisitions. One of the things that we know is that acquisitions are complicated and we've done a handful of small acquisitions and disposals over recent years, even just the sale of the MLC, the acquisition of the Citibank consumer business, the 86 400.

Each of them have helped and they've strengthened different parts of our business, but they do come at a cost of distraction and diversion of resources, and our preference at the moment I think is that we would stay focused on growing our mainstream business but you never say never when growth opportunities arise. Thank you.

Craig Caulfield: (Shareholder) Thank you.

Philip Chronican: Can we go to microphone number one, please?

Operator: Chair, I would like to reintroduce Michael Sanderson.

Philip Chronican: Thank you.

Michael Sanderson: (Shareholder) My last one, I promise you. Just a couple of - the new format that NAB have presented, putting the election of Directors first, well done. Good place to have it.

Philip Chronican: Yes.

Michael Sanderson: (Shareholder) The issue I have with it, there is no general agenda.

Philip Chronican: This is that. This is the report, Directors Report, yes.

Michael Sanderson: (Shareholder) I know, but may I suggest you add that at the end of your agenda so that I don't get up and ask questions in an inappropriate area.

Philip Chronican: Okay. I'll try to be clear that this is absolutely the right time to ask questions about the business, the report.

Michael Sanderson: (Shareholder) Okay. Well, there's no indication in the formal paperwork that you present. Anyway, my last question relates to the Australian Financial Complaints Authority. Last Wednesday, AFCA CEO David Locke presented a five-year summary.

He said in the last financial year AFCA received a record of 97,000 complaints. The naughtiest group by far were the banks and NAB came second in this group. You were pipped by CBA. In spite of the Clayton's Royal Commission, and a lot of other reviews, why do complaints against banks continue to increase?

And I'll just ask the second part, get that out of the way. It's related.

Productreview.com.au lists 160 reviews of AFCA, of which 89% are negative. Google Maps review have a similar outcome. Is this an indication that the industry-owned AFCA is not fit for purpose?

Philip Chronican: I'll answer no to the second part of it. If I can answer to the first part, we were actually doing quite well on reducing our share of AFCA complaints over the last couple of years until this year when we had a spike, and it was around an issue that's already been identified in this meeting, which is we had a significant uplift in complaints relating to the integration of UBank and 86 400.

Now that that's behind us, it is our hope and certainly our intent to reduce the number of AFCA complaints. Our first preference is that we use our internal complaint resolution to get issues resolved, and we are very keen on getting issues resolved at AFCA. Our conversations with AFCA suggest that they find our people cooperative at getting issues to resolution, so I do take some comfort from that.

Michael Sanderson: (Shareholder) Just a point in relation to AFCA. There is no merits review of an AFCA decision. An AFCA decision is final. When I say there is no merits review, there is no merits review outside the court system. People generally use AFCA and AFCA say they're an alternative to the courts, which I'd argue against. I'm aware of - and I say this from my personal perspective too - I'm aware of some pretty dodgy determinations made by AFCA based on pretty damning evidence that these people have got nowhere to go.

I've been in contact with the Minister and the Treasury and other people and they say we've got no authority over AFCA, which I find absurd. You've got a company, fundamentally a private company limited by guarantee, whose membership is 100% the financial service provider, yet the organisation, the Federal Government that established AFCA by notifiable instrument has no power over it. It's a funny situation.

Philip Chronican: Thank you. I'm not sure you'd be any more comfortable if the politicians did have control over its outcomes.

Michael Sanderson: (Shareholder) I tell you what, just on another subject. The RBA, how's young Jimmy saying oh, we don't want the ability to overturn an RBA decision. I as a voter do not want an unelected body, irrespective of the quality of the elected person, at least I can kick them out. So no, I disagree with that. I'm not saying that the politicians make good decisions all the time but they can be held to account whereas Ms Bullock, you take out - you enact that item 1 of the RBA review, she becomes an all-powerful individual, as does the RBA Board, that has no obligation to the general public. I just find that absurd. Anyway, I'll leave it there.

Philip Chronican: Thank you.

Michael Sanderson: (Shareholder) Thank you.

Philip Chronican: Thank you. I'm going to go now to microphone number two.

Operator: Chair, I would like to introduce Mr Michael Stkakasch.

Philip Chronican: Thank you.

Michael Stkakasch: (Shareholder) As I'm old enough to remember this institution being intensely misogynistic in terms of their business, I now see the Board has some female representation. However, the senior executives sitting down the front aren't as represented by the female sex in their numbers, which tends to point to me as the misogynistic history is persisting and the Rem Report showed that lack of equal development or representation in the senior ranks is still lacking.

Now, apart from that, there was - I'd like to ask the auditor if any of his senior staff had worked for PwC in the past 10 years, because that leads to the probity of the audit, which means that if anyone was there during the last 10 years it makes one wonder whether the infection in that company has transmitted because EY has historically been the audit company of disrepute, is the nice way of saying it.

Philip Chronican: I'm not sure how we get that. Hopefully, you have seen in the front row at least we have three of our senior executive women here today. We did unfortunately lose one during the year when one of our senior women left, but it is an objective to get more senior women into our top leadership group and it's an objective that we did fall short on in the last year and that was part of my comment earlier.

If I can just move on to the question to the auditor, Tim I just wonder if you, I guess, a relatively straightforward answer about any ex-PwC partners. I don't know that you need to elaborate anything, just a yes/no will do.

Tim Dring: Thanks Chairman and thanks for your question. Look I can confirm that there are no formal PwC staff working on the core audit team in the last 10 years.

Philip Chronican: Thank you. Microphone number three.

Operator: Chair, I would to introduce Mr Michael Jackson.

Philip Chronican: Thank you.

Michael Jackson: (Shareholder) Good morning. I'm a director of the Australian Shareholders Association. We provide an independent voice and a community for Australian retail investors. My first question relates to the growth in NAB expenses over the course of the year. Chairman, could you comment on the growth and in particular how NAB would address costs if earnings growth was to slow?

Philip Chronican: Sure, let us talk briefly about it. Overall costs did go quite strongly, probably stronger than many of our peers. An important part of that was our acquisition of the Citibank retail business, so that added to the cost base for the year. There were also a number of additional costs that we bore this year that we don't necessarily think will be replicated. One of those is the funding that we had to put in place for the Government's Compensation Scheme of Last Resort.

Other than that, the costs were wage inflation and we did have an Enterprise Agreement agreed with our staff which generated an uplift in salary and wage expenses and we are spending more on technology and in particular, spending more on our financial crime remediation program to meet the AUSTRAC AU.

It is our objective each year to try to offset as much of that inflation as we can through finding productivity savings, so where possible streamlining processes, automating activity and in some cases, selective use of our Vietnam and Indian technology and innovation centres. But as you saw in the last year, excluding the Citibank and the government, it still



went up by 5.6%, so more than we would hope for in a normal year but part of getting the Bank into better shape. Thank you.

Michael Jackson: (Shareholder) Changing the subject completely, I acknowledge that in your introduction you made some comments in relation to the donations to the Voice.

Philip Chronican: Yes.

Michael Jackson: (Shareholder) Can I ask you to tell us what the decision-making process looked like, how the size of the donation was determined and there were donations from the Foundation and the Bank, if you could explain why it was in the best interests of the Bank itself to make a donation in addition to the Foundation donation?

Philip Chronican: Sure and I'll just deal with the Foundation first. One of the purposes of the Foundation is to support Indigenous disadvantage, so it's clearly articulated in its objectives.

In terms of the decision by the Bank itself, you may recall the background for the Uluru Statement from the Heart. So there was a bipartisan group set up in 2015 sponsored by the then prime minister and then leader of the opposition to evaluate constitutional recognition options that led to canvassing across groups and it ultimately ended up in a representative group of Indigenous communities meeting at Uluru in 2017 and that was where the Uluru Statement from the Heart was signed.

The governments coming in, in 2022, then said that they were going to pick up that part of the Uluru Statement. We took the Board to understand this in more detail. We did a Board trip to visit on site in the Northern Territory a number of groups, including local Members of Parliament, Indigenous Land Councils, Indigenous businesses and some of the participants that had been there at the Uluru convention.

Given that we are the biggest bank in rural Australia, so we operate in many of the communities where Indigenous disadvantage is most pronounced, we felt that it was in the interests of the Bank as a whole for Indigenous disadvantage to be addressed and that this was the way chosen by the participants at that convention. That's where we came to the view that we would support them to the extent of \$200,000 and then the Foundation made its assessment that it would also support the Voice campaign.

Michael Jackson: (Shareholder) So the two decisions, Foundation and Bank, were separate decisions?

Philip Chronican: Both separately made and separate time. The Bank's donation was made over a year ago, I think and the Foundation was done this year.

Michael Jackson: (Shareholder) Thank you, Chair.

Philip Chronican: Thank you. Microphone number four.

Operator: Chair, I would like to introduce Antonia Burke.

Philip Chronican: Thank you.

Antonia Burke: (Advocate) Thank you, Chair. My name's Antonia Burke and I'm from a place called Pirrawayingior the English name is Garden Point. It's on the Tiwi Islands which is just north of Darwin in the Northern Territory. There's about 350 people in our community and there's about 2,500 people living on both islands across three community and several outstations.

I'm here today as a resident and in April this year, Tiwi people filed a human rights complaint to NAB over its involvement in financing Santos' Barossa gas project which they want to develop off the coast of the Tiwi Islands, just at the doorstep of our home. NAB financed this loan to Santos whilst Tiwi people were in the Federal Court in a dispute over Barossa due to Santos' failure to consult with Tiwi people.

NAB failed their due diligence because you didn't come and talk to us and I'm assuming that you knew that we were in the Federal Court with one of your customers. NAB dismissed Tiwi people's human rights complaint and refused an invitation to have a conversation about the complaint with us on the Tiwi Islands. You concluded that it's human rights grievance process, without even engaging once with Tiwi people and you didn't provide any information about what you did during this process.

NAB says in its Reconciliation Action Plan that supporting the self-determining aspirations of Indigenous Australians requires respectful and equal partnerships where we listen to the voice of Indigenous Australians to understand what is important to them and where they need our support. We will continue to use our voice and influence to action change and progress reconciliation through our business relationships to support the things that matter to Indigenous people.

Nothing about the process that we've just been through so far has shown respect for our communities. NAB hasn't listened to Tiwi people's voice when we asked for your support with your customers, to support the things that matter to us as Indigenous people. NAB

has a recent history of completely disregarding the rights of Indigenous people, not just here but across the world.

NAB has loaned to the Coastal GasLink pipeline, a 670-kilometre pipeline in Canada that goes straight through the unseeded lands of the Wet'suwet'en and First Nations people. The hereditary chiefs of the Wet'suwet'en nation fiercely opposed the project and have not provided their free, prior and informed consent.

We've travelled all the way here from the Tiwi Islands because when we submitted our complaint based on your grievance mechanism process, which allows people who have a complaint about our human rights, we used your process and we spent a lot of time writing to you, putting this complaint together. We're here today to present you with an opportunity to undo some of the harm that you've done to the Tiwi Islands and First Nations people, not just to us but around the world.

Given that your peers at the Commonwealth Bank and Westpac are engaging with us about the human rights complaint at the highest levels, will you commit to a dialogue with us on Tiwi, along with the other two CEOs?

Philip Chronican: So Ross, would you like - let me just make a couple of comments first. One is I was hoping that we could get to item 5 so we could open up the whole area of gas, oil and so on, but I don't want to show disrespect to our questioner, so I am going to take this question now, but I would ask anyone else who's got questions just to hold off a little bit longer so we can get to those questions.

But we fully understand our obligations for free, prior and informed consent on projects that we finance and Ross, I wonder if I could just get you to make a few comments as the Chief Executive.

Ross McEwan: Thank you very much and thank you for coming along today. It's a shame we couldn't catch up this morning given you're in town. I think it is absolutely appropriate that where banks are involved in major developments such as the one that's being proposed by Santos, that the banks would engage in conversations with the Indigenous people and the Islanders associated with them.

As I said, where they are involved with those processes, I would expect to make conversation and have those discussions. But as I say, we're involved, we're very clear about what our policy is and those are stated. Should we be involved, we're very happy to have those conversations.

Philip Chronican: Thank you.

Antonia Burke: (Advocate) Thank you for taking our question at this time. We actually do have to fly back to the Tiwi Islands, which is why we've asked our questions now.

Philip Chronican: That's okay and I know what it's like when you've got long travel commitments, so that's fine.

Antonia Burke: (Advocate) Okay. Are you okay for my family to ask their questions as well? There's only three of us and we've come all this way because you wouldn't talk to us.

Philip Chronican: Sure. Please go ahead.

Operator: Chair, I would like to introduce Simon Munkara.

Philip Chronican: Sure, thank you.

Simon Munkara: (Traditional Owner) Thank you, Chair, morning. To NAB, my name is Simon Munkara and I'm a Traditional Owner from the Jikilaruwu clan, which is northwest of Bathurst Island on the Tiwi Islands. My question about your commitment to human rights. Santos' operations will have an impact on my Country, my family and our way of life. We spent a lot of time writing to you, using your grievance mechanism to make a real complaint about a loan that you entered into and based on your response to us, it's really clear that you are not interested in hearing from us and what it means to us.

You haven't done your due diligence with Tiwi people. You are responsible as an applicant to find out how your decisions are going to have an impact on people. That's what the United Nations demands and you've committed to that. The way your people have treated us is so disrespectful. You haven't tried to talk to us or meet with us, yet you say you'll talk directly to Santos about Tiwi people. Santos is still trying to go ahead, so your talks have failed.

But you don't tell us about those talks and you're hiding behind confidentiality. You called our requests not appreciated and non-necessary. What is so irresponsible about having a conversation about a loan that will contribute to the direct harm on my human rights? You said that a corporate loan to Santos doesn't contribute to harming me or my family. How do you come to that conclusion? Are you even connected to where your money is going?

Philip Chronican: Thank you. Thank you and thank you for your comments. Antonia, I think you said you had more family who wanted to speak as well?

Antonia Burke: (Advocate) Yes, he's just coming now.

Philip Chronican: Great, thank you.

Operator: Chair, I would like to introduce Pirrawayingi.

Pirrawayingi: (Traditional Owner) Thank you. I'd first like to pay my respects to the Traditional Owners of this country that we're on. I'm also from Tiwi Islands, but also acknowledge you and your Directors and the investors here and thank you for allowing us to come and have this conversation with you. We really appreciate that. My name is Pirrawayingi, I'm a senior Elder and Traditional Owner of the Munupi clan on the Tiwi Islands. Up until a few months ago, I was the mayor of the Tiwi Islands and as a Tiwi man and an Elder, I have a responsibility to protect my family, my country, culture and our sea country.

We live on an island obviously surrounded by sea, so members of my community and my family wrote to you to make a complaint. My question is about your loan to Santos which you say is not connected to the Barossa Gas Project. You say it's corporate loan and you don't know how Santos will use your money. This seems to us like a trick to avoid responsibility for contributing to this harmful project. Are you saying to us and everyone in this room that you don't know how Santos is using NAB's money? Surely this would be considered negligent. Surely you would have to know how someone is going to spend \$72 million of your customers' money and if they can even pay it back.

On another item, is that we have met with the CEO of the Commonwealth Bank and Westpac and they've both agreed to come to the Tiwi Islands to have a dialogue with us, which is a wonderful thing. I am extending the same courtesy and respect to you, to have this conversation, Mr Ross McEwan, with us on our Tiwi Islands. It would be an honour to have you come and have a dialogue with us on our home soil. We would really appreciate that.

Philip Chronican: Thank you and thank you for the invitation to attend. I think we're in one of those difficult positions where we're unable to speak about a customer and their activity, but I am fully aware of and in fact fully cognisant of the issues relating to the pipeline from the offshore LNG fields around the Tiwi Islands to Darwin and conscious of the court cases and the procedural steps that are underway. So I don't want you to think this is something we're ignoring. Were there any other representatives from the Tiwi who wanted to speak?

So thank you, I do want to thank you. Our comments in the Reconciliation Action Plan are intended to be serious and I'm sorry that the communication process has not worked to

your satisfaction and I'm sure, I know that you have to travel back, but I'm sure that we can arrange for somebody at an appropriately senior level to engage on the issues.

But as I said, I really can't go into any detail about a customer's business in a public forum like this, other than to say we are serious about our commitments under the United Nations conventions and serious about our Reconciliation Action Plan and we'll engage with you as and when we can. So thank you for coming.

Antonia Burke: (Advocate) Just in response to that, you have signed up to the United Nations Guiding Principles.

Philip Chronican: Correct.

Antonia Burke: (Advocate) A part of that is a grievance process.

Philip Chronican: Yes.

Antonia Burke: (Advocate) So if someone has a complaint, we can write to you.

Philip Chronican: Yes.

Antonia Burke: (Advocate) So we spent months doing that and in your exact response, you said that the Mayor of the Tiwi Islands request just to have a conversation with someone from the Bank was not appropriate and unnecessary when they're going to drill off our doorstep, the place where we live. So I just want to leave that with you.

Philip Chronican: Yes.

Antonia Burke: (Advocate) If someone from the public is going to make a complaint and you're going to say that it's not appropriate to have a conversation with them, then what's the point of signing up to a RAP and the United Nations Guiding Principles? I don't understand the point of that and we had to come here to talk to you. I just don't think it is acceptable. It's not by our standards, it's by everybody's standards. It's not unreasonable for us, it should be unreasonable in any instance. But thank you very much for listening to us...

Philip Chronican: Thank you.

Antonia Burke: (Advocate) ...and good luck to all of you.

Philip Chronican: Thank you. Can we go to microphone number two, please?

Operator: Chair, I would like to introduce again Mr Philip Sacks.

Philip Sacks: (Shareholder) Thank you. I think what I have to raise on so much, so very trivial after what we've heard from the Tiwi Islanders.

Philip Chronican: Yes.

Philip Sacks: (Shareholder) However, I jumped up when I heard you say that your conversations with AFCA has informed you that NAB has very few complaints, was handling them very well. Can you clarify what you actually said?

Philip Chronican: We mean the whole Board meets with the chief executor and chair of AFCA and the tone of the conversation that we've had with them - I didn't say we had very few. We continue to have far too many for my liking. But the feedback we got from AFCA was they felt that, generally speaking, we handled them well. But they made the observation that off the back of the UBank integration, that they have kicked up and that had been a significant uplift this year. That was the comment I made.

Philip Sacks: (Shareholder) When was that conversation?

Philip Chronican: When?

Philip Sacks: (Shareholder) Mm.

Philip Chronican: It was March? It was in Melbourne, so - we met in March and May. I'm just trying to remember which of them - might have been May.

Philip Sacks: (Shareholder) I ask that because the conversation I had with AFCA was they told me that UBank is the worst, the worst.

Philip Chronican: Okay.

Philip Sacks: (Shareholder) Secondly, the complaints to AFCA have only - the integration of UBank and 86 400 was affected on 24 May. So, if you're referring to complaints relating to UBank and 86 400, they hadn't started by May.

Philip Chronican: Well, they had.

Philip Sacks: (Shareholder) Well, maybe they had, but there's going to be a lot more after that. They don't need to go to AFCA...

Philip Chronican: They kicked up - they started in December and they went right through to March quarter.

Philip Sacks: (Shareholder) Well, there's a lot more now because of the failed integration. Secondly, Mr McEwan - in response to my previous comments - said, yes, there was one or two problems. Well, it sounds to me like the 6000 is a lot more than one or two problems.



So, I want to know from him precisely how many problems have been referred to AFCA as a result of the failed integration?

Ross McEwan: I haven't got the numbers in front of me, but happy to get those. Our team will happily have those numbers out there. The comments I made on UBank, we did the integration at the end of last year, so the complaints did come through that. It was a very complex change from one system to another and from one banking licence to another banking licence, so we did have to change BSBs.

We also chose at that time to move all of our term deposit activity to NAB, as opposed to holding it at UBank. So, it was a complex, but we thought necessary, process to get UBank re-platformed and ready, fit for the future going forward. As my Chairman has said, we did take a number of complaints there on the way through that. For that, we apologise. But it was essential that we make that change and it was complicated.

Secondly, we haven't had a number of - uplift in our complaints. Again, with the work we've had to do and remediating millions and millions of customers to do with AML, KYC. I've been very open and honest about that and I stand by that. That has meant that we have had to send a lot of communication out to customers to get the information.

Not all of it's been received, and some of that has meant that we've ended up blocking accounts, which have ended up in complaints and some of it has landed with AFCA. I've been open about that.

The second piece is on Citi, the integration of Citi. We are doing the integration of that right now and we pick up those in our statistics as well. Those were the three biggest drivers. The other one, of course, is scams and frauds which all banks are experiencing at the moment. That has been horrific. Not all of those cases we've been able to satisfy the customer on who was the right person to be paying for those - the fraud and scams that have been going on account. So, across industry, we have had complaints going up.

Industry-wide too, with 13 interest rate rises. Thirteen interest rate rises in a very short period of time contact with us, complaints to us has gone up, of course. Interestingly enough, as for three months when interest rates didn't rise, the complaints came down and also, the contact coming into our contact centres also came off.

So, there's been some things that have driven our AFCA complaints up over the last 12 months. For that, unfortunately, I apologise. I do apologise and take total ownership for them, but those are pretty big things that have been going on. Happily take your

complaint outside with the team, so that they can pick up on your specific complaint to make sure that we have put it in the right place for you. Thank you very much.

Philip Sacks: (Shareholder) Thank you. I'll take that offer up. But I will end with this comment. AFCA complaints is a symptom of a problem and the problem is the failure of your team to resolve complaints before they go to AFCA. The case that I mentioned of the customer being stranded overseas without his credit card, UBank offered \$150 compensation.

Philip Chronican: Thank you. Can we go to microphone number four and I'll come back to microphone three.

Operator: Chair, I would like to introduce [Keith O'Guylinder].

Keith O'Guylinder: (Shareholder) Thank you, Chair. My question seems pretty trivial, after listening to the concerns of the Tiwi People. I would hope that the Board takes into consideration what they had to say. My question is about the Citibank acquisition and the future of the Diners Club Australia franchise.

I know that this was closed in the past few weeks to personal members and I was wondering what the future of that part of the business is, if there is any future? I ask this in the context of approximately 8% of the payments' industry is - 8% of cards are AMEX and Diners Club, but they make up about 20% of total payments. So, I was wondering if there is any future for that part of the business?

Philip Chronican: I'm going to get either Ross or Rachel to answer that. Ross, do you want to handle that?

Ross McEwan: Thank you, Chairman. Thank you for the question. Yes, when we did take over Citi consumer business, there were many parts to it. One of them was Diners that came across to us. We have been working through what do we do with that business. Because it was part of the acquisition, but not something that was core to us going forward.

We are looking at a number of options of using some of the facilitation skills of Diners, combined with our own individual and business card proposition in the marketplace. We do believe that we actually have a very - and a probably better proposition than both what we have individually and with Diners, to go forward with. But I'm not in a position today to actually divulge that.

But I suspect you'll see a very powerful proposition for our business [customers] coming through with a new proposition, which is a combination of the two. I'll leave it at that because we haven't quite yet announced it, but thank you for your question.

Keith O'Guyliner: (Shareholder) Thank you very much.

Philip Chronican: Thank you. Microphone number three.

Operator: Chair, I'd like to introduce Mr Craig Caulfield again.

Philip Chronican: Thank you.

Craig Caulfield: (Shareholder) Thank you, Chair. Just some comments firstly on AFCA. The previous couple of speakers criticised AFCA. They're probably not aware, but AFCA actually pays out hundreds of millions of dollars over a long period of time. Albeit, if you drill into the details, you find out they're a very good small claims tribunal. If we look at - forgotten his name - Gerard Brody from CALC. He's now with AFCA.

In 2020 - I stand corrected on the year - he put out a video that's available on YouTube and they examined all of the large bank cases. Guess what? All the large bank cases, not one went in favour of the customer. AFCA is a failed institution, a private company reportable to no one, excellent as a small claims' tribunal.

Now, I look at AFCA's website every month and they have a members' forum. Every month there are members' forums and videos and they're talking to the bankers. Every month they have customer complainants' interaction and every month, for 15 months, it said, to be advised. There are no forums. That's another part of gaming the system. The bankers' payments that go into support spreading the word of AFCA, it just doesn't happen.

I've met personally with Mr Locke, he's a very fine person. I put to him that someone that - because they're largely full of bankers and lawyers that acted for banks - if they were to act fairly, don't employ so many bankers. Find people from social security industries, for example, that have more empathy. But there are too many bankers working there.

Anyway, they're my comments on AFCA. Accountable to nobody, not accountable to parliament. As Michael Sanderson said, we can't - there's no appeals process.

My question actually is regarding Farm Debt Mediation. My wife, [Moeroa], and I were called up to provide evidence to the primary production lending inquiry in Roma in Queensland. Aside from our own testimony describing banks failed systems, processes and decisions with farmers, we also spoke of the health impacts on our family's lives.

It was in Roma at this inquiry into lending disputes with farmers that I heard of four families under pressure from their banks where someone had committed suicide. You will understand why National Farm Debt Mediation is very important to me. It is one year since I raised National Farm Debt Mediation to assist thousands of Australian farmers at NAB's 2022 AGM. You say being there when times are tough is important, page 26.

NAB, as Australia's largest agricultural lender, in concert with the ABA, can put a unified submission on behalf of all banks to Treasurer, Jim Chalmers, in the next 30 days. Every big four bank, every second-tier bank has agreed to National Farm Debt Mediation, along with AFCA, along with the Australian Bankers Association. National Farm Debt Mediation is being courted, discussed, agreed, recommended, years before the Royal Commission.

Yet you say the Royal Commission is largely complete. It is not. The National Farm Debt Mediation was one of Commissioner Hayne's main recommendations to be implemented. Prioritising the experience of our customers, page 6. These are things to remember. We know that when banks work together through the ABA, mountains can be moved. Removing \$1 million penalties for unlawful bankers from the then proposed failed legislation? Oh, that occurred in 24 hours.

More obvious, the four major banks' Chairs and CEOs joint letter, 30 November 2017 to Treasurer Scott Morrison to bring on a Royal Commission succeeded after 48 hours after the Prime Minister and Treasurer publicly announced, we would not hold a Banking Royal Commission.

Going above and beyond for NAB customers from disaster to recovery, page 48. Interest rates have risen at record levels and other challenges mentioned in your Annual Report are on the horizon. Let's not have another rural family grieving over a farmer that's taken their life. Let's bring a level of fairness when a farmer is in dispute with a bank.

Mr McEwan, you say you are seeking more ways to better support and protect our customers, page 8. We need this Bank reformed now. Will you get on with it and follow it up until it's resolved? Page 81.

Philip Chronican: Thanks very much. I know Ross is well across the issue of Farm Debt Mediation, so Ross, I wonder if I could ask you to speak?

Ross McEwan: Thank you, Mr Chairman. Thank you, Mr Caulfield. Thank you for raising the matter again, because you did raise it last year. We did pursue this with the ABA. We also pursued this with the Federal Agricultural Minister and the Shadow Agricultural Minister to encourage a consistent approach across all states and all territories.

Unfortunately, we understand that not all jurisdictions were that interested in bringing this together for a national approach, but we will continue. We will continue to push it because we do see, particularly the New South Wales system, as optimal and one that we should have right across. But let's keep pushing at it. But I must tell you, we had a good push at it this year, just as you did. Unfortunately, we didn't get where we wanted to be, nor for you as well. But let's keep going.

Craig Caulfield: (Shareholder) Could you be more clear just in where you received the pushback from? Are you saying the Minister for Agriculture is the person that said no to a national...

Philip Chronican: I think it's some of the other states.

Craig Caulfield: (Shareholder) Well, I'm talking about federal taking something that overrides the states.

Philip Chronican: You may be aware, from time to time, that the Federal Government and the states don't see eye to eye on issues.

Craig Caulfield: (Shareholder) Yes.

Philip Chronican: Thank you.

Craig Caulfield: (Shareholder) But I've given you the examples where the...

Philip Chronican: I understand.

Craig Caulfield: (Shareholder) ...the Australian Bankers Association steps in and can get things done.

Philip Chronican: Trust me, I know for a fact Ross is pushing this very hard.

Craig Caulfield: (Shareholder) Yes. Well, thank you.

Philip Chronican: Thank you. Microphone number two, and then I'm going to close off the room and go to the operator.

Operator: Chair, I'd like to introduce again Mr Kaz Kazim.

Philip Chronican: Thank you.

Kaz Kazim: (Shareholder) Thanks very much. I remember following the findings of the Banking Royal Commission, Mr Thorburn had said that he was going to sack 6000 staff and transform the Bank, before the findings went against him and he quit. Now, during the process of transformation, were any of the four major consultants used to help transform

the Bank? How much were they engaged in transforming the Bank and how much money was paid? Are we still using those consultants who were...

Philip Chronican: I'll answer your questions in generalities. There were consultants used in that earlier piece of work. It wasn't one of the four major accounting firms, it was one of the global strategy consulting firms. Under Ross' tenure, another firm - which, I think, probably wouldn't even count as one of the top six globally, but a smaller firm - has been helping the Bank.

But not one of the big four accounting related firms, in terms of broad strategy work. We obviously engage with all of those firms on specialist areas from time to time.

Kaz Kazim: (Shareholder) The other question is are you developing inhouse skills to use the staff rather than the consultants...

Philip Chronican: Yes.

Kaz Kazim: (Shareholder) ...who found to be extraordinary. I mean I can't...

Philip Chronican: I've found that on broader strategic projects, the best people to use are your inhouse people. But from time to time, you get specialist areas of risk or finance where we have particular need to engage some of the firms.

Kaz Kazim: (Shareholder) Have you considered using some of the universities' business schools to engage?

Philip Chronican: We have. I think we've done some individual projects from time to time. I have to say on big compliance projects, that's not very useful simply because of the scale of the projects. But actually, I know as part of my own studies when I was doing my masters, I did a business project and I got a lot of value out of that. So, yes.

Kaz Kazim: (Shareholder) Do you think we could form a small section of the Annual Report to report on which firms were used and how much money was allotted for that purpose?

Philip Chronican: I'd rather not. I think the Annual Report is too large as it is and I didn't get back to answer Rita's question, that I struggle to read the grey print as well.

Kaz Kazim: (Shareholder) Okay.

Philip Chronican: I think if we can make the report easier to read, I don't know that reporting on individual small projects is very useful to the bulk of the shareholders.

Kaz Kazim: (Shareholder) No, I'm talking about a total sum. Like a big, \$200 million, \$100 million, whatever. Anyway, look, I think that's worth considering. Thank you.

Philip Chronican: Thank you very much. We're closing off questions on that item in the room for the time being. Phone operator, do we have any questions on the Financial Report, the Directors' Report or the Auditor's Report on the phone?

Operator: Thank you. There is a question from Mr [Luigi Bucello]. Please, go ahead.

[Luigi Bucello]: (Shareholder) Mine's not to do with that. It's a general question. It's the next bit of agenda, I think.

Philip Chronican: You can do that now.

[Luigi Bucello]: (Shareholder) But I'll ask it now.

Philip Chronican: Please go ahead now.

[Luigi Bucello]: (Shareholder) Righto. Mine is for Ross McEwan. I was sending several letters in regards to these blackmail and these - I didn't get my dividend unless I paid it into my account. I've written several letters and I've not had replies to my letters in - just briefly, once. Louise was going to look into it and get back to me and hasn't as yet.

I've also asked for telephone numbers of NAB staff that replied to my letters so I can communicate with them. I don't know why I can't get those phone numbers. Also in one of the replies, it stated that the government was going to cut back on cheques. But I noticed [unclear] two days ago, but it's only going out to consultation now and that's not even past legislation. So, why are you saying they're going to do it?

Philip Chronican: Thank you. Louise Thomson's sitting with me and I believe she's unsure about the correspondence.

Lousie Thomson: Thanks Mr Bucello. I'm aware of your correspondence, thank you. I understood that one of my colleagues had responded to you. I apologise if that is not the case. I understood that we were assisting you to open a bank account, so that you could have your dividend cheque deposited into an account because we are no longer paying dividends via cheque. We stopped that in 2012, other than for a very, very small number of our shareholders.

To simplify our processes and reduce risk, we are now migrating all shareholders onto direct credit payment of dividends.

Philip Chronican: Thank you.

[Luigi Bucello]: (Shareholder) Louise...

Philip Chronican: Thank you. Do you want to make an additional comment, MrBucello?



[Luigi Bucello]: (Shareholder) Yes, I do. Yes, I do. I want to comment that that account was opened and it called for an email and I don't do emails and they somehow got around and opened it. Does that mean that now all correspondence with NAB or share registries will go to that email address that I don't own?

Philip Chronican: I believe that the answer to that is no, that there is no email account associated with that account and that you will receive correspondence through mail, or through the online banking platform.

Lousie Thomson: That's right, Chair, and I believe it was my colleague, [Louisa] in the Executive Customer Complaints Team who assisted Mr Bucello in opening his account without an email address attached to it, so that is correct and he will receive correspondence by post.

Philip Chronican: Thank you.

[Luigi Bucello]: (Shareholder) All right.

Philip Chronican: Thank you for that, and regarding your comment about the government's stated intent to phase cheques out completely, they have announced that that's their goal, so it's an intent. They are now moving to the next stage of that, which is to have consultation on exactly how that will work because obviously there are still, oddly enough, some small groups of people who are using cheques, but the cheque infrastructure is going to be phased out over the next few years. Thank you.

Operator, do we have any other questions on the phone line? I'm not hearing from the operator.

Operator: Pardon me, sorry. There are no other phone questions.

Philip Chronican: Was that no? Thank you. Jessica, do we have any questions on the Financial Report, Directors' Report or the Auditor's Report online?

Jessica Forrest: Yes, Chair, we do. The first question is from Ms Georgina White. It's regarding Bank branch closures. The Board believes the way people bank has changed but there are many other reasons to go to a branch; for example, loan refinancing or organising bank cheques. We believe the increasing branch closures will impact on wait times at the remaining branches. We have often waited up to 40 minutes to be served at a branch. This is not acceptable and this is not customer service.

Philip Chronican: Thank you. Thanks for the question but, because we've had a number of questions on branch closures which Ross has already answered, I'm not sure that there's

anything new that we can offer to that. Obviously the two examples offered, loan refinancing and cheques are both issues - or one which you don't need to go to a branch for and two, in terms of cheques, we've already said cheques are being phased out.

But I also - I am conscious that there are other processes that often require a branch where difficulty in establishing identification, deceased estates, some of these issues do arise. So we're conscious that, while there are fewer things to be done at a branch, there are still some activities that require support and we're looking at all of those processes to see how they can be best served.

Jessica, do we have any other questions online?

Jessica Forrest: Yes, Chair. The next question is from Mr Tee Yeoh. It's regarding interest rates. Will NAB review the customer loan interest rates soon, given that some components of the Bank's costs of funds have come down in recent days? For example, two-year government bond now yield around 4% versus 4.3%/5% a month ago.

Philip Chronican: So the answer is yes, we keep very much alert to movements in interest rates and while the short-term interest rates have most recently gone up, we do know that longer term interest rates, two, three, five-year terms, do go up and down. You will see that from time to time the Bank's fixed rate home loans similarly move up and down as those interest rates do change.

So, yes, you can expect that when the two-year rate moves materially, that there will be reductions flow through into your fixed rate loans for example. So that is something we do keep under review and of course, similarly, on term deposits where one- and two-year term deposits are quite sensitive to those interest rates. So, thank you.

Jessica, do we have any more questions?

Jessica Forrest: Chair, that was the last question.

Philip Chronican: Thank you. So I now declare the Financial Report, the Directors' Report and the Auditor's Report have been received and considered at the meeting. I think in the interests of getting this meeting progressing, we will keep going. My script said we could have a short break here but unless any of my colleagues feel a need for one, I think we will keep going? So, thank you.

Next items of business are items 5(a) and 5(b), which were requisitioned by a group of shareholders. These resolutions relate to a proposed amendment to the Company's constitution and transition plan assessments. Item 5(a) is a special resolution and requires

approval by at least 75% of eligible votes cast on the resolution. Item 5(b) is conditional upon item 5(a) being approved but I will still speak to this item, even if the resolution for item 5(b) is not required to go to a vote.

The resolutions for items 5(a) and 5(b) are not endorsed by the Board. Firstly, I will deal with 5(a). While the Board respects the rights of shareholders to requisition a resolution to amend the Company's constitution, the Board believes that the proposed resolution is not in the best interests of the Company and shareholders as a whole and recommends that shareholders vote against it for the reasons outlined in the Notice of Meeting.

In short, under NAB's constitution, the power to manage the Business is vested in the Directors who are required to make decisions and manage risks in the best interests of the Company and shareholders as a whole. To discharge that duty, the Board must consider a range of issues having regard to the nature and complexity of NAB's business and its operations in a global environment.

The Board considers that a constitutional right to propose resolutions to express non-binding opinions is likely to disproportionately favour activist shareholders who have a practice of requisitioning special interest resolutions. As a consequence, it would likely result in future AGMs being dominated by non-binding special resolutions that could be time-consuming in terms of Board and management time and AGM length and may not necessarily be aligned with the broader shareholder base.

NAB encourages transparency and appropriate shareholder discussion and provides shareholders with several avenues to raise issues or concerns as described in our Notice of Meeting. The Board recommends that shareholders vote against the proposed resolution for item 5(a).

Now to item 5(b). This relates to the disclosure of information on the Company's approach to assessing the transition plans of its fossil fuel sector customers. The Board and management recognise that climate change is a significant risk to the planet and NAB has a critical role to play in funding and supporting Australia's transition to net zero.

The Company's climate strategy is designed to align our Business with an economy that achieves emissions reduction targets consistent with a maximum temperature rise of 1.5 degrees above pre-industrial levels by 2100, while maximising economic benefits for customers, NAB and the community.

Working towards this ambition, NAB is improving its understanding of the emissions associated with its lending and as I outlined earlier, setting 2030 sectoral decarbonisation

targets. We are also supporting customers to reduce their emissions and realise the opportunities of the climate transition.

As reported in our climate report last month, 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 that position. Our subsidiary, the Bank of New Zealand, is exiting all lending to thermal coal mining by the end of 2025.

From 1 October 2025, NAB will require a customer transition plan to be in place for new or renewed corporate or project level lending for our corporate and institutional banking customers in power generation where 25% or more of the electricity generated is from coal, oil and gas and metallurgical coal.

NAB is also developing a framework to assess those plans, which we expect will consider scopes one, two and three emission disclosures, targets set and their alignment to the Paris Agreement and other aspects as set out in our climate report.

We are conscious that both government and industry requirements on our customers are likely to change over time. We will seek to harmonise expectations for customers and reduce complexity and expense where possible. NAB's approach will also seek to reflect advancements and technology and science and improvements in the accuracy of data and information provided by customers.

Before asking shareholders and proxy holders to vote, I will just address some of the information that was included in the supporting statement of the resolutions, which overall is not agreed to by NAB. I'll just note upfront, for reasons of confidentiality, I will not be responding to matters relating to individual customers.

NAB is taking the climate challenge seriously. We have caps on exposures to thermal coal mining and the oil and gas sector, as well as other lending exposure restrictions disclosed in detail, including most recently in our climate report. As I explained earlier, and consistent with our net zero banking alliance obligations, we have now set seven interim 2030 sector decarbonisation targets, including for fossil fuel sectors. This is detailed in the climate report. NAB also has implemented a range of processes to monitor and manage these targets and to assist colleagues in reviewing potential transactions in relevant sectors.

Secondly, NAB made a clear statement in its climate report about the intention to require certain customers to have a transition plan in place and the development of a framework to assess those plans. This is a change for NAB and our impacted customers and it is

reasonable to take the necessary time to implement such a change. Transition plan development is an area that will evolve as governments, regulators, industry associations and others consider standardised approaches and methodologies.

In this respect, the Board considers NAB has detailed its approach to the substantive matters raised in item 5(b). The Board also considers that NAB's overall approach appropriately manages fossil fuel related financial and non-financial risks, while supporting customers to decarbonise, build their climate resilience and help achieve NAB's net zero emissions goal

Accordingly, the Board is recommending that shareholders vote against the resolution item 5(b). We recognise that some of our shareholders do support item 5(b) and acknowledge the need to further develop the approach as it relates to transition plans assessments and capital markets activity. I've outlined the significant focus and the attention we have on this important work.

Having put forward the Board's position, I would now like to invite Kyle Robertson, a representative, rather, of Market Forces to the microphone to briefly address the meeting on these items. I am assuming Kyle's in the room somewhere? Yes. Thank you. Please, go ahead.

Kyle Robertson: (Shareholder) Thank you, Chairman, and greetings to the Board and my fellow shareholders. In 2023, NAB has gone further than ever to paint itself as a climate leader, whether it's putting out articles on how we're pushing forward the renewables transition, or commissioning reports about the golden economic opportunities for Australia from green industries. You really get the impression that NAB takes this seriously.

Yet for all of NAB's talk on climate, the Bank seems unable to face up to one of the fundamental flaws of its position on climate change. Funding renewables does not offset the damage done to the climate by funding fossil fuel expansion. This resolution presents our Bank with an opportunity to take decisive action and stop contributing to the climate crisis. It was filed by hundreds of shareholders who are disappointed that NAB is still yet to live up to its commitment to the Paris Agreement and are calling for climate leadership from this Bank.

The reason for this resolution is simple; if NAB continues to provide or arrange finance for companies that are not transitioning away from fossil fuels, then our Bank is recklessly endangering our climate, our economy and the safety of our communities. This resolution is certainly not asking for the Bank to cut off all fossil fuel funding immediately. This

resolution is not even calling for the Bank to implement a new policy. It simply requests the Bank to take its existing policy and apply it across its full fossil fuel and energy portfolio.

As the Chairman outlined before, articulated in the 2023 Climate Report, NAB intends to require Paris aligned transition plants from upstream oil and gas, metallurgical coal mining and coal fired power generation companies by 1 October 2025 and if the Company fails to produce such a plan, we like to think that NAB will no longer provide project level or corporate lending.

But this should be the expectation of all fossil fuel companies, including fossil fuel infrastructure and service companies which play a critical role in enabling coal, oil and gas, especially new and expanded coal, oil and gas, to come online. It should apply to any new finance that our Bank can provide or arrange for fossil fuel companies, which enables them to expand or grow their operations and finally, to avoid NAB doing any more damage to our climate than it already has, it should be implemented as soon as possible.

The overwhelming majority of fossil fuel companies in the world are not transitioning their businesses away from fossil fuels, instead they are increasing their production. If NAB doesn't require them to reduce their emissions concretely, it risks financially enabling them to trigger climate collapse. Terrifyingly, that looks like where we're headed.

Last month, the United Nations stated that the world is on track to produce almost 70% more fossil fuels than is compatible with even a catastrophic two degrees of warming. At two degrees of warming, 99% of the world's coral reefs will be devastatingly impacted and may not recover, but that is just one example.

Given this context, it is completely reasonable to require fossil fuel companies to have a credible emissions reduction plan by the start of 2025. The IPCC and the International Energy Agency have both warned that emissions from existing and committed fossil fuels means that there is no room for any new or expanded coal, oil and gas projects in a world hoping to maintain a safe climate, yet NAB continues to provide or arrange finance for companies developing those very same projects, while Australians suffer increasingly severe climate disasters.

This year NAB participated in arranging a \$4 billion bond to BHP, a company that has applied to extend the life of one of its biggest metallurgical coal mines, Peak Downs, for an astounding 93 more years.

In November, our Bank took part in a \$1.25 billion loan to APA Group, a company that has signed with Tamboran Resources and Empire Energy to develop the pipeline infrastructure needed to unlock one of the biggest carbon bombs in Australia, the Beetaloo Basin. But these examples are just some of many.

NAB has loaned over \$6.8 billion to fossil fuel expansion since the Paris Agreement. Over just two years in 2021 and 2022, it loaned \$2.4 billion to fossil fuel expansion, painting a very worrying picture about NAB may finance in the nearly two years before October 2025 when it will finally require its fossil fuel customers to have a transition plan.

Fossil fuel companies do in fact represent a very small portion of our overall lending portfolio, but the reckless and irresponsible business strategy of some of these companies endangers the overwhelming majority of the rest of our customers.

Our home loan portfolio makes up over 50% of our total lending business and Australian homeowners are feeling the horrific impacts of climate change with increasing regularity. NAB has publicly acknowledged the devastating impacts climate change is having on Australians and Australian homeowners.

Having already borne the brunt of the black summer bushfires and the unprecedented 2022 flooding events, Australians are sadly having to adapt to more of the same as climate change worsens. But is it avoidable and NAB does have a role to play, as the Chairman highlighted before.

If our Bank continues to finance companies pursuing fossil fuel expansion, then it is shooting itself in the foot and condemning this country and this Company to a less prosperous, more insecure, and increasingly dire future.

With the evidence concretely pointing to what needs to be done, this resolution offers NAB the chance of a critical decade to be a global leader on climate in the finance sector. I would also like to address that - based on the web results that have gone up on item 5(b), this resolution received support from 28% of shareholders, over 28% of shareholders.

If the Board received a 28% strike against remuneration, it would be doing everything in its power to address shareholders' needs. Shareholders are expressing their needs about what they expect for climate and expect the Board to act accordingly.

Thank you, Mr Chairman.

Philip Chronican: Thank you.



Before I go to other microphones for questions, I just want to address one point about the funding in case shareholders have misunderstood.

I think the comment was made that we had funded several billion dollars of new fossil fuel lending over recent years. Our total lending to fossil fuel companies, met coal, thermal coal and oil and gas, is around \$4 billion. I would say, that's not lending either. That's our total what's called exposure [unclear], so our total credit exposures to all of those four sectors is around \$4 billion and just to put that into context for shareholders, we have around \$1,000 billion total credit exposure, so it's roughly 0.4 of 1.0%.

Importantly, the item was raised later on about housing. I would add commercial real estate and agriculture. We have significant work to do in our lending portfolio to understand decarbonisation plans. It does necessary of course involve fossil fuels directly, but we have significant work in our own loan portfolio and our customers who are in non-oil and gas, non-coal sectors as well and that's why we're taking the sector-by-sector approach.

Can I go now to microphone number three for a question.

Operator: Chair, I'd like to introduce Mr Roy Tasker.

Philip Chronican: Thank you. Mr Tasker.

Roy Tasker: (Shareholder) Hi everyone. My name is Roy Tasker and I'm a Professor of Chemistry at Western Sydney University. I'll give you a brief preamble, followed by a question.

The COP28 summit agreement is both the death knell for fossil fuels and the impetus to triple global renewable energy production and storage by 2030.

I'm sure the shareholders here today want the NAB to profitably support both targets in our climate crisis.

In NAB's 2023 Climate Report on page 12 it states as part of assessing its fossil fuel customers' climate transition plans, it will continue details about the customers' level of reliance on offsets over time and future technology developments.

Reassuringly, the report further states that overreliance on unproven technologies to meet reduction targets may, I repeat, may, impact NAB's assessment of those transition plans.

Now, we know some of NAB's fossil fuel clients are planning to develop a carbon capture and storage project to abate emissions from their expansion projects. However, carbon capture and storage are high cost due to high design complexity and the need for

customisation producing a very low value product, like carbon dioxide. It's energy intense, only usually captures up to 90% of the carbon dioxide and, despite its long history, unproven at scale, the \$3 billion Chevron Gorgon facility in WA the most notable failure.

Fatih Birol, Executive Director of the International Energy Agency, has said, oil and gas producers around the world need to make profound decisions about their future place in the global energy sector. The industry needs to commit to genuinely helping the world meet its energy needs and climate goals, which means letting go of the illusion that implausibly large amounts of carbon capture are a solution.

So my question is, based on NAB's report and that of the International Energy Agency, does NAB consider carbon capture and storage to be an illegitimate and unproven emissions reduction strategy for companies developing new fossil fuel projects?

Philip Chronican: Just let me - in fact I think you made reference to COP28. I think COP28 is a major step forward, because it's finally got at a global level the major countries that are reliant on fossil fuels to acknowledge that ongoing expansion of fossil fuels is completely inconsistent with what we're trying to achieve. I absolutely endorse that.

I don't know enough about carbon capture and storage to be definitive, but even if it were successful, it can only be a partial mitigant for the existing carbon out there. There's no - from what I understand, there's no feasible way it could provide for offsets for continued use of fossil fuels, but it may well play a small role in helping take some of the carbon that's already been emitted out of the cycle, so I'm not expecting carbon capture and storage to be used as a significant abatement.

Thank you.

Roy Tasker: (Shareholder) Thank you very much. The follow up then is, can NAB remove the loophole phrase, may, in its transition plan expectation policy where it says, overreliance on unproven technologies to meet emissions reduction targets may impact NAB's assessment of those transition plans.

Philip Chronican: There are lot of areas where we don't yet have technologies that we fully understand. I'll give an example, which is, we don't know yet what the technology that's going to replace aviation fuel is, so there will be some uncertainties there.

There's a lot of good work being done in cement, about trying to come up with more carbon efficient forms of cement. Those technologies are likely to change through time and of course, steel production is one.

So, these are areas where we know that not everyone is going to have all the technology sorted out before 2025, but we need to understand whether companies are operating with honest intent, are clear in their ambition, and are doing everything possible, and that's what we'll be looking for.

Roy Tasker: (Shareholder) Thanks very much.

Philip Chronican: Can we go now to microphone number two please?

Operator: Chair, I'd like to introduce again Ms Rita Mazalevskis.

Philip Chronican: Thank you.

Rita Mazalevskis: (Shareholder) Sorry Chair.

Philip Chronican: That's all right.

Rita Mazalevskis: (Shareholder) I actually have an item for the previous one and I just want to apologise.

Philip Chronican: Given that - no, that's all right. Given the climate issues ever have a habit of [seeping] into earlier issues, I'm more than happy to take a non-climate...

Rita Mazalevskis: (Shareholder) Yes. It's only a quick one and I have come from Perth, so - and I'm limiting to two, and I've only had one, so I've been very respectful of the process.

Philip Chronican: That's fine. Thank you.

Rita Mazalevskis: (Shareholder) Just before I do that, could I just ask, with the Annual Report, the Bank or Banks actually, report on everything. The only thing they don't show is figures for complaints, percentage of complaints, dollar value, potential dollar value of what it's going to cost the Bank.

AFCA does a snapshot of these types of figures. I'm just trying to suggest whether that, something like that, can be incorporated, which also shows the Bank's complaints within the AFCA system, just by number or value, because that would be helpful for shareholders rather than raising complaint issues all the time.

Philip Chronican: Sure, okay. Let me - we always - when we regroup in the new year, we always sit back and say, what happened at the AGM that we can learn from, and I think Louise if we could just take a note and think about if there's a coherent way we could be reporting on complaints, we could have a look at that.

Rita Mazalevskis: (Shareholder) Yes, so for instance, you know if there was a breach, just what the Bank would be up for once you go through that process, so shareholders have transparency.

Philip Chronican: Yes, we could - I mean, we can look at the form, what form that would take. Obviously, some of these things are very uncertain and they'd have to be material, but look, I'm very open to that - [thank you].

Rita Mazalevskis: (Shareholder) Okay. I just have one quick question. So in regards to NAB's covered bond program, I just want to ask, do any of NAB's covered bonds include impaired or low-quality assets?

Philip Chronican: Well, they shouldn't, because the people who lend the money to us I think require us to provide performing loans into that criteria, so the covered bonds, we do what's - we loosely call them cleansing in the portfolio, so we go through the portfolio and make sure that we've got loans that the files are complete, they're ready [unclear] they can be identified, they're performing loans, they go into the portfolio and then the bond is issued against that portfolio.

Rita Mazalevskis: (Shareholder) Yes, yes. Okay, that's great. Thank you.

Philip Chronican: Thank you. Microphone number four please.

Operator: Chair, I would like to introduce Amanda Richman.

Philip Chronican: Thank you.

Amanda Richman: (Shareholder) Thank you Chair. Amanda Richman from Australian Ethical Investment. Australian Ethical holds over 3.5 million shares in NAB and we co-filed the Shareholder Resolution.

Before asking my question, I want to thank you, Mr Chronican, and also Ms Loveridge and the NAB Sustainability Team for giving us the opportunity to discuss NAB's Climate Action Plan to understand more about how NAB is thinking about its role in helping facilitate the transition of the Australian economy and for hearing our perspective as well.

From our discussions, we understand NAB shares our view that real world emission reductions are more important than simply achieving financed omission reductions and we were therefore pleased to see that NAB has expanded their sectors covered by its transition plan requirement.

We see that NAB's transition plan requirement is one of the most critical ways that it can influence real world emission reductions. I have two questions in relation to the transition plan requirements.

First, we understand NAB is currently developing its framework for assessing transition plans and appreciate that standards are evolving, but there are some basic elements that, for example, Westpac has already disclosed its position on.

When will NAB make clear to investors whether or not it will require client transition plans to be science based, aligned with the goals of the Paris Agreement and include Scope 3 emissions?

Philip Chronican: Do you want to give us the second question? I'll just [do] both at the same time Amanda. Thank you.

Amanda Richman: (Shareholder) Sure. The second question is, can NAB commit to testing the credibility or the honesty and intent of its customer transition plans by taking into account customer capital expenditure that is not aligned with the transition and any public lobbying that seeks to slow down the transition?

Philip Chronican: Let me [unclear] - I will answer both of those. So, our intent and it's the intent of the overall approach, is that we will evaluate transition plans such that they are Paris aligned and that they rely on credible science-based measures. That is absolutely our intent.

The only hesitation I have about the Scope 3 of course is that Scope 3 is always somebody else's emissions and we need to make sure we're measuring everybody's emissions without either missing any or double counting, so we will be cognisant certainly of Scope 3 as we do those evaluations.

The full framework, as we've said, we haven't yet fully developed that framework and one of the things that we are seeking to do is to learn from other banks globally about how this best operates and being signatories to the Net-Zero Banking Alliance gives us access to other bank practices, so that's what we're seeking to learn from.

The second part of your plan, of your question rather, cuts to the credibility of the plans and one element of that of course is the authenticity of the Company in submitting those plans. That's a judgement that our people are going to have to make.

One of the things that we are conscious of is that our own people are not always going to be the most authoritative at evaluating the credibility of the plans and, because we're

talking mainly about large [unclear] companies, they're going to be having their plans reviewed by multiple banks, so the reason that this is going to have to be a bit iterative, is that when a large company presents its transition plan, it may be presenting it to 10 banks simultaneously, and we need to learn how we're going to be able to operate that so that each bank can get their own level of satisfaction.

I'm afraid I can't be more definitive about the methodology just yet, because this is new territory for us. But I do want everyone in the room to understand that we are taking this seriously, we're trying to do the best we can to understand it, particularly acknowledging that in some areas we won't have all the expertise to make those evaluations.

Amanda Richman: (Shareholder) Thank you. If I can just end with one comment. As I mentioned, we see NAB taking a strong stance on these issues as the bank leveraging its unique position that it has in helping transition the economy, and I think signalling to companies now what the expectations will be, particularly around the inclusion of Scope 3 emission for customers in the oil and gas sector and that Paris alignment and science based requirement in addition to the capital expenditure and alignment of political lobbying to the extent that you're able to see it publicly would, I think, be a real contributor to enabling that transition to happen. Thank you.

Philip Chronican: Thank you very much Amanda. Microphone number 2.

Operator: Chair, I'd like to introduce Mr Morgan Pickett.

Philip Chronican: Thank you. Mr Pitchett.

Morgan Pickett: (Shareholder) It's Pickett. I just have a clarifying question for you Mr Chronican. Earlier the Tiwi asked if Ross would come and meet with them on Country in the Tiwi Islands as the CEO of Westpac committed to yesterday and CommBank earlier this year. Will Ross come to Country and meet with Tiwi?

Philip Chronican: I don't know the answer to that.

Ross McEwan: Look, if we're involved, I'd be delighted to go across, if we do get involved in the project.

Morgan Pickett: (Shareholder) Involved in the Santos loan to Barossa?

Ross McEwan: Yes, that's what I'm saying. I'm very delighted to go across if we do get involved in the big project, so otherwise there's probably - other than going across, I'd love to go and see the islands, it may not be of value to them or to our organisation, so I'd just make that proviso.

Morgan Pickett: (Shareholder) So at this point, NAB is not financially connected to the project?

Ross McEwan: I didn't say that. I just said if we - as I said, if we do get involved, I think that would be appropriate that I met them and probably Mr Gall, who runs our corporate institutional bank. But I can't comment on whether we are or are not because I'm not going to comment on individual customers. But I'll give you the undertaking that if we do get involved.

Morgan Pickett: (Shareholder) Okay. Well, they here and they did come because you are involved and they just wanted that clarification.

Ross McEwan: Yes. As I said...

Morgan Pickett: (Shareholder) The commitment was made by the CEO of Westpac yesterday...

Ross McEwan: And they may well be involved. That's all I'm making the differential on.

Morgan Pickett: (Shareholder) All right.

Ross McEwan: Did I - also this morning, did offer to actually meet them this morning but they were more - they were tied up with the media and doing other things this morning which was unfortunate.

Morgan Pickett: (Shareholder) Thank you.

Philip Chronican: Do we have another question at microphone number four?

Operator: Chair, I would like to reintroduce Kyle Robertson.

Philip Chronican: Thank you.

Kyle Robertson: (Shareholder) Thank you, Mr Chair. I just had a follow up question which relates to the climate report. Specifically wording around the climate report. You kind of answered this before in response to Amanda's questions but not in a way that I would consider to be necessarily satisfactory.

You did say in your transition plans, or I should say NAB said in its transition plan requirements this year that it would expect Scope 1, 2, and 3 emissions disclosures. And then also in the next dot point, that it would expect interim and long-term targets.

Now, it's not clear from that if those two are separate criteria. As in if you just expect your clients to disclose those emissions but not actually have targets that cover all Scope 1, 2, and 3 emissions.



And the reason that that is very important, as you said, we can appreciate that Scope 3 is not always the easiest thing to address. But for a fossil fuel company where 90% of their emissions are Scope 3 from the end-use of their burning of coal, oil and gas, which is always a conscious business decision, we would want to see that being assessed by NAB.

So, is that going to be the case with NAB's transition plans?

Philip Chronican: As I said, the detail will be worked out. But it's impossible to evaluate a fossil fuel company without looking at its Scope 3 as you say. And the good news is that in the fossil fuel business, the data is much more easily attainable for what the Scope 3 is going to be because you know the carbon content of the product.

But that's not as true for many other businesses. And as I've tried to stress to everyone, the fossil fuel stuff is significant for the planet but tiny in our exposures. We have significant issues that we're trying to address in construction obviously because of the residential and commercial real estate.

So, iron and steel and cement are of critical importance to us. And agriculture, of course, will be an area of considerable interest, as and when people start identifying pathways for agriculture.

So, we've got a lot of work ahead of us but I understand your point. So thank you.

Kyle Robertson: (Shareholder) Second part to my question is around Paris alignment which is what you said...

Philip Chronican: Yes, I did.

Kyle Robertson: (Shareholder) So the reason I ask this question is because amongst your peers, Paris aligned can mean different things. For instance, with Westpac, Paris aligned means 1.5 degrees. With ANZ, it's not exactly clear. With CommBank it's well below two degrees which is a far more - you know, going up to two degrees as I outlined in my speech is a far more catastrophic scenario.

So, can you provide some clarification on what NAB means by Paris aligned? Is it 1.5 or is it well below two?

Philip Chronican: My understanding of what the COP in Paris thought it meant was well below two and aiming for 1.5. I thought that was the communique from the Paris conference.

Kyle Robertson: (Shareholder) Is NAB's commitment not to - limiting global warming to 1.5 degrees [unclear]?

Philip Chronican: So, I think what we've said is our ambition is to support a 1.5 degree and our net zero 50 target for the Bank is to target a world of 1.5 degrees. But that individual transition plans may - because the pathways that are being developed in many industries are aligned to Paris, we don't necessarily have authoritative data for what 1.5 means.

Kyle Robertson: (Shareholder) Do you see the inconsistency between...

Philip Chronican: Yes.

Kyle Robertson: (Shareholder) ...being committed to 1.5 and not requiring your clients to be?

Philip Chronican: I understand exactly what you're saying. The problem is that's what's physically possible for us to do.

Kyle Robertson: (Shareholder) Maybe the commitment needs to be changed then. Thank you...

Philip Chronican: No, I think what needs to be changed is Paris. Okay. Do we have a question at microphone number two?

Operator: Chair, I would like to introduce Mr Colin Odewahn.

Philip Chronican: Thank you.

Colin Odewahn: (Shareholder) Hello, Mr Chairman and Ross. Ross, you were up in Albury recently and I suggest you might have got a lot more frosty reception if you had have gone out a bit north to Culcairn and Holbrook.

They are still very upset at losing the Bank. Very, very upset. And so am I. But what I wanted to - around that area now, there's a massive conflict around the Culcairn/Walla area because there is - to put solar farms. Vast - thousands of hectares of solar farms.

Now this is ripping these communities apart. People who want to continue farming. They don't want to have their farms surrounded by thousands of acres or thousands of hectares of solar panels.

Now, I can see the point perfectly because as a former RFS captain, having thousands of hectares of them in this highly productive land would be a rural fire service captain's absolute worst nightmare.

You know, you will not be able to take a rural fire service tanker into there. It would just be too dangerous. Now, I'm not against solar panels but don't put them on this highly productive land in the East Riverina.

If you want to put solar panels, put them out west of Broken Hill somewhere. Where it's not going to cause the dam - and the conflict that's between families that have been friends for 100 years. Now they're mortal enemies and won't talk to each other.

So this is - and governments won't go out and talk to people. They've just had this forced upon them. And I can tell you, they're not happy.

Ross McEwan: Thank you. Fully understand. Certainly, the solar farms I visited haven't been on that scale and have been on land I would have thought was more marginal. But I think that's a valid point and we'll follow that through for you. Thank you.

Colin Odewahn: (Shareholder) I would say the Bank has got to - are they going to back the farmers or back some of these, well, what I would just call them carpet baggers? Who have come in and offered some people huge amounts of money to put these solar panels in. Do you want to back farming or not? I think the Bank has really got to make up its mind.

Ross McEwan: I think we've got a pretty good track record for backing farmers. We're by far and away, the largest lender to the agricultural sector in Australia.

Colin Odewahn: (Shareholder) I just hope the Bank backs the farmers and not these carpet baggers.

Ross McEwan: Thank you.

Philip Chronican: Phone operator, do we have any questions relating to items 5A, 5B, or climate change matters more generally?

Operator: Thank you. There's another question from [Luigi Bucello], please go ahead.

[Luigi Bucello]: (Shareholder) No, I haven't got a question. [Unclear] the other questions. Okay?

Philip Chronican: Was that a no? I can't hear. That's good. Okay, thank you. Jessica, do we have any questions online in relation to items 5(a), 5(b), or climate matters more generally?

Jessica Forrest: Thank you, Chair. We have a question from [Miguel Anar]. As a NAB staff member and proud member and delegate of the finance sector union, I'm passionate about making NAB a place I can be proud to work at.

So, my fellow staff and I were deeply dismayed to learn that NAB continues to fuel the climate crisis. When it comes to public relations, our Bank is pumping out the urgency for

renewables transition and yet, it refuses to publicly acknowledge that any company developing new fossil fuels is an impediment to that transition.

And worse still, our Bank won't even commit to refusing destructive companies the finance that enables them to wreck our climate. NAB has even left itself two more years to directly fund new fossil fuel projects.

NAB's employees were not consulted about this latest climate policy and we haven't been given a chance to have any input on what it should look like. Will NAB commit to involving employees when developing its climate policies in the future?

Will you commit to engaging with us on policy that impacts us too?

Philip Chronican: Thank you and thank you very much for the question. I think there's plenty of avenues for our staff to engage in dialogue. I know that both in forums that are held through workplace and other forums.

But I'm sure Ross, you'd be very keen to hear from staff and getting their input. I just want to clarify that I think it's not appropriate to define what we're doing as pumping out public relations and fuelling fossil fuels.

We're doing - as I said, we've materially reduced our lending to the fossil fuels sector over the last few years. The only fossil fuel sector of any size we have is oil and gas. We've capped that. We've declined thermal coal. We've reduced our metallurgical coal.

So actually, NAB has been materially reducing its lending and I think that needs to be clear. But I'm sure we welcome input from our staff. And I'm sure, Ross, you can find some additional forums for that to be in place. Maybe you want to add?

Ross McEwan: Yes, thank you, Phil, and I'm a little bit surprised that our colleagues think that because most of our policies and our practices have actually been built in the businesses and built from the ground up.

It has certainly been led at the larger end of our business through our corporate institutional team. And the team have been very involved in all of our policies, particularly to our larger, 100 [emitting] customers. And that policy is not being led by a strategy group in head office or any type of group in head office. It's been business led.

And the same in our business and private Bank. It's certainly being led by the people in that business. And of course, we have a major sector, being the agricultural sector, which has been raised today that we need to work our way through. And that will be done with our bankers very much involved in that.

And then of course we've got the very largest sector which is our housing sector. Which again, our personal banking team are involved in on a daily basis. So, this is not being led out of a major strategy group, although we do have one climate team who are coordinating on behalf of the business.

But we'll find other forums, Phil. We're obviously missing out somewhere and we need to do some work with some of our colleagues who feel that they want a greater input which is absolutely fantastic.

Philip Chronican: Thank you. Jessica, do we have another question?

Jessica Forrest: Chair, I have a second question from [Miguel Anar]. I also want to ask a question, not just of the Board, but fellow retail and institutional shareholders. As a delegate of the finance sector union, a staff member, and as a shareholder of NAB, I ask that all vote in favour of resolutions 5(a) and (b).

The resolution seeks further disclosure of transition plan expectations. A policy which, if implemented properly, could see NAB actually begin to align its commitment to the Paris agreement and limiting global warming to 1.5 degrees.

Mr Chairman, I want to be proud to work here. I want to no longer be ashamed that it takes of hundreds of concerned citizens routinely protesting outside our CBD headquarters and branches around the country for NAB to get its act together.

I want my Bank, NAB, not to provide finance to any fossil fuel projects or the companies building them, which are not compatible with a stable and liveable planet. Thank you.

Philip Chronican: Thank you and I would just like to add to that. We would like you to feel proud as well and hopefully, as plans progress and your understanding of them improves, we can find some alignment where you can achieve that. So, thank you.

Jessica, do we have any other questions online?

Jessica Forrest: Yes, Chair. I have a question from Ms Athina Pazolli. Given CO2 levels have been much higher in the past pre-human civilisation and industrialisation and that the climate has been shown to move in cycles, on what scientific basis is the Board determining that changes to the climate are driven by human activity and are not indeed natural? Will the Board please fully disclose the science upon which its policies are based?

Philip Chronican: Thank you. So, the earth has had massive climate changes over the years, we've had ice ages and warm ages, but these have tended to occur over very long periods of time. Anthropogenic climate change dating largely from about the 1960s and

'70s coincides with the massive uplift in CO2 levels and is outside of any of those long-range cycles.

So, while it is true that the earth has had high levels of potentially CO2, but certainly had both warmer and colder climates at various points in time, I think it's pretty hard to deny the impact that human activity has had over the last 50 years on CO2 levels as we've seen over recent years on the climate, and the climate risk has become very real, as we've seen globally, even the last year with massive heatwaves, melting of polar icecaps.

I know a big issue that Ross and I take seriously is the decline in the glaciers in New Zealand, where some of our favourite parts of the country, the ice has been receding materially. So, I think along with the intergovernmental panel on climate change, we fully understand that the science is pretty solid on this, so thank you. Jessica, do we have any other questions?

Jessica Forrest: Chair, I have a second question from Ms Perzoli. Why is the Board supporting so called renewable energy, which is inefficient and unreliable, create vast amounts of toxic waste, requires the destruction of vast tracks of land to house windmills and solar panels, and requires a massive increase in environmental destructive mining activity to extract the rare earth materials and minerals needed to make them, and the supporting infrastructure needed?

Are the Board's policies not in fact supporting the rapid destruction of the environment, enforcing millions into poverty?

Philip Chronican: So, let me just deal with one of those. Renewable energy is not inefficient. Renewable energy in fact is extremely cheap. The principal issue with renewable energy is what you might call the time arbitrage, is that renewable energy has peak production when the sun shines and the wind blows, which doesn't necessarily coincide with demand.

That's why various technologies that allow for managing peaks and troughs are used, so globally, including here in Australia, there are projects around pumped hydro which allow for that. You have batteries. I noted in Dubai recently at the coinciding with the COP28 up there, there was some other technologies being demonstrated as to how renewable energy can be stored and released when required. But certainly, it is not inefficient or unreliable.

It is not costless, so there are environmental issues relating to the production of renewable energy, and they need to be looked at in the context of the alternative, which has been the

release of carbon pollution into the atmosphere. That's the challenge the world faces, so thank you. Jessica, do we have any other questions?

Jessica Forrest: No, Chair, we don't.

Philip Chronican: Thank you. Shareholders, I now want to put formally to you, items of business 5(a). Could you please now record your vote, if you've not already voted? Based on the results of the proxy and direct votes, we are able to determine that this resolution has failed, and as item 5(a) wasn't successful, item 5(b) will not be put to the meeting.

That now covers all of the formal business of the AGM. But I just want to make sure that there are no further, any general questions. I note that microphone two does have its hand up, so can we go there please?

Operator: Chair, I would like to introduce Mr Morgan Pickett.

Philip Chronican: Thank you. Mr Pickett. No?

Operator: Apologies, Chair, I would like to introduce Ms Rachel Deans.

Philip Chronican: Rachel Deans, thank you.

Rachel Deans: (Shareholder) Thank you, Chair. I'm here as a young person, I'm a 19-year-old student at the University of New South Wales, and I was a part of the school Strike For Climate movement. I'm now a research associate at Deakin University and organise with the Australian Youth Climate Coalition.

I've grown up watching the climate crisis, I've seen heat and climate disasters impact my community in Western Sydney and South and Southeast Asia, and I feel that I have no future with a safe climate to look forward to, and that's why I'm here. I've become increasingly concerned about plans to expand and fund the expansion of gas within Australia, particularly plans to frack in the Northern Territory, and more specifically the Beetaloo Basin.

Not only with fracking fuel the climate crisis, but it will do irreparable damage to the land and water to the communities living in the Northern Territory. In June this year, the Science Based Targets initiative stated it is an imperative of climate stabilisation that financial institutions do not support the expansion of new or existing unabated fossil fuel production capacity.

Despite this, NAB's policy won't be requiring emissions reductions plans from gas pipeline developers. This is deeply concerning when one of NAB's clients is APA Group. APA has signed deals with the main project components of Beetaloo Basin, Tamboran Resources



and Empire Energy, to provide the pipeline infrastructure required to frack this carbon bomb.

It's estimated that over its lifetime, the Beetaloo Basin would produce up to 1.2 billion tonnes of CO2 equivalent, which is more than 2.5 times Australia's entire emissions in a year. Midstream oil companies like APA provide the infrastructure required to unlock gas the world cannot afford to burn.

My question is why has NAB opted not to assess the transition plans of midstream oil and gas companies, when the infrastructure they provide is essential to unlocking new oil and gas?

Philip Chronican: Thank you for that, and the answer is that we will get to those when we get to those sectors, but we prioritised the oil and gas production sector and the coal and power generation and iron and steel. So, we're not ignoring them, we will get to them. Thank you. Question from microphone number three.

Operator: Chair, I would like to introduce Mrs Justine Sherwood.

Justine Sherwood: (Shareholder) Good afternoon, Mr Chairman. My name is Justine Sherwood. I'm a NAB colleague and a finance sector union member, and I'm here today to raise questions on behalf of our colleagues. I would firstly like to acknowledge the commitment and the follow through given by the Chair, the Board and the CEO at the past AGM, to work with colleagues in the FSU on achieving a new Enterprise Agreement.

Over the first six months of this year, colleagues and members of the union were pleased to see Management listen to and accept our concerns around paying conditions here at NAB. While we believe there is more work to do, we can all be pleased of having achieved an industry leading pay model that we can be proud of as part of the final proposal accepted by a majority of our colleagues.

However, over the same period and throughout 2023, we have seen an acceleration of change across the Bank, an ongoing branch closure program has closed another 67 branches this year. This is in spite of the fact that there is a Senate inquiry into bank closures in regional and remote Australia.

It was disappointing that NAB chose to continue on its aggressive closure program without waiting for the inquiry to hand down its findings. Automation and digitisation are constantly reshaping our roles, and apparent labour shortages have seen our ever-growing numbers of new job opportunities being created offshore.

A significant concern is the advertising of cheaper products, especially home lending products, to customers who use AI generated tools as opposed to customer service and advice, and again forcing customers away from qualified bankers' assistance. The combination of these factors, coupled with NAB's announced \$400 million in productivity savings goal, has left colleagues anxious about their future with NAB, their livelihoods and for their families.

My question is this. Will you and the Board commit to colleagues that there will be no mass job cuts throughout 2024, providing colleagues certainty over their job security? Will you commit to working with the FSU on a skills investment and training program so current colleagues can access future job opportunities within the ever-changing environment at NAB?

Philip Chronican: Thank you. I think I can be reasonably direct on that. One of the things I've been very proud of over the last few years at NAB is the commitment to retraining, and I know Ross says some of those branch closures occurred, we were able to redeploy colleagues in some regional towns doing online and telephone work, such that they weren't lost from the Company.

I think there was a, if I dare say, a bias six or seven years ago in the Company to having people retrenched almost as a matter of course, and it's not something that I've ever been a fan of. I think where we have change in the Company, it's in the Company's interest and in our people's interest that we provide maximum retraining opportunities. So, I would be very keen for the Management Team to continue to do that.

We want an organisation that grows, we grow best of course when we attract more customers, and to do that we need to be a good performing Bank. I was also very pleased at the progress made on the Enterprise Agreement over the last year. I thought it was a very constructive agreement, because both our people through the FSU and the Bank were able to put on the table some of their medium-term aspirations, and have those recognised, so thank you for whatever part you played in that. Can I go to microphone number two please?

Operator: Chair, I would like to introduce Mr Hugh Vaughan.

Philip Chronican: Thank you, Mr Vaughan.

Hugh Vaughan: (Shareholder) Thank you, Chair. This year NAB commissioned a report from Deloitte Access Economics called All Systems Go, detailing Australia's economic opportunity from trading and global decarbonisation. The report found that as a result of

transitioning from fossil fuels to renewables, Australia could see \$255 billion in economic growth from the development of green industrial exports by 2050.

The report even acknowledged that assets and activities that depend on fossil fuels must be replaced to meet global climate targets. Yet despite commissioning this report, NAB continues to provide finance to companies that are seeking to lock in new assets and new activities that depend on fossil fuels, worsening the already catastrophic risks of climate change and pushing much needed capital out of the renewable sector, a double whammy.

Based on the findings of this report, it appears that it is economically risky for Australian companies to continue to pursue export driven expansionary fossil fuel projects when such projects are displacing much needed capital for renewables. So, my question is, is NAB worried that if we don't stop the expansion of fossil fuels, we will become, to quote the Chairman, a materially poorer country than we are today?

Philip Chronican: That's exactly what I said when I released the report, so yes, of course. As I indicated earlier, I was thrilled to see at COP28 that we've now got some recognition that at a global level there's a commitment to eliminating fossil fuels, so I agree with that, thank you.

Hugh Vaughan: (Shareholder) But you'll continue to run fossil fuels, that's the point of the question, so I don't think you've addressed that.

Philip Chronican: Well I think we've been very clear that we're not, we've materially reduced our funding of fossil fuel companies.

Hugh Vaughan: (Shareholder) Materially reduced is not eliminated. You have \$14 billion of funding since 2016.

Philip Chronican: That's completely untrue, so thank you. We only have a total of \$4 billion, total billion outstanding as at now to all fossil fuel businesses. So, I'm sorry.

Hugh Vaughan: (Shareholder) When you differentiate in a way that you do between project financing and corporate financing, then it's very easy to mislead with numbers.

Philip Chronican: This is total exposure, total exposure including guarantees, undrawn lines, everything. There is no delineation here, this is the total exposure of the Bank. So, thank you. All right, we're done in the room, thank you. I'll just check with the phone operator whether there are any general questions.

Operator: Thank you, there is a question from Malcolm Norman, John Cayda please go ahead.

Philip Chronican: Are you there Mr Cayda? We don't seem to have anyone there. Jessica, do we have any more online questions?

Jessica Forrest: We do, Chair. I have a question from Mr David Grice. Mr Chairman, you just said it is Paris that needs to be changed, in your response to Mr Robertson.

Philip Chronican: Yes.

Jessica Forrest: Is that because NAB is failing to meet its commitment to support the Paris Agreement as it currently stands?

Philip Chronican: No, I was asked about the subtle difference between Paris, which was targeting no more than two degrees and aiming for 1.5, and a firm commitment to 1.5. The issue we have is that many of the industries that are planning their glide paths or transition pathways, are using Paris as a guideline and therefore it's hard to align them with 1.5 degree.

So, we are clear on our intent, which is to support a 1.5-degree outcome, but we are forced to live with the fact that that's not what the Paris final communique said. So, thank you. Sorry Jessica, is there anything more online?

Jessica Forrest: No, Chair, thank you.

Philip Chronican: Thank you, all right, on behalf of the Board, to everyone, I'm sorry we've got one more. I thought I'd closed off questions in the room.

Operator: No, Chair, I would like to introduce Ms Jacqueline Marks.

Philip Chronican: Okay, fine.

Jacqueline Marks: (Shareholder) Thank you, Chair, I know we're all hungry. In its 2023 climate report, NAB said that from 1 October 2025 it intends to require a climate transition plan from the majority of its upstream fossil fuel customers, before providing corporate or project level funding. Whilst obviously a welcome development, NAB has applied no restrictions to arranging or facilitating bonds or capital market transactions for fossil fuel companies.

It's an obvious and massive loophole. As traditional lending is drying up for coal companies, we're seeing an overall pivot to bonds, with coal companies now accessing 2.5 times more capital through the bond market than traditional loans. For example, under your policy now, NAB could still arrange a bond for Whitehaven Coal, a company with massive thermal and metallurgical coal expansion plans.

It's a loophole that NAB seems willing to exploit. In November of last year, NAB participated in the arrangement of a \$644 million bond for the Sabine Pass LNG project in the US, one of the biggest LNG facilities in the world, with plans to increase its already massive production capacity by almost 70% in the coming years.

So, to my question, why is NAB only intending to require climate transition plans for lending, when a coal, oil or gas company could easily get around this restriction by asking the Bank to arrange a bond for them?

Philip Chronican: Can I suggest a much more likely path, which is that the coal, oil or gas company is most likely to just go to another bank. The question with going down every little rabbit hole is that I don't know where they're going to go for their funding, but we are clear on our intent. Our intent is to have a portfolio of customers and exposures that is aligned to the Paris goal of a 1.5-degree cap on global warming. So, thank you.

Jacqueline Marks: (Shareholder) So, when a gas company approaches you for bonds that will be funding that project, what do you say?

Philip Chronican: Well I just need to close this conversation off. I'm not going to follow every loophole. If a gas company comes to us for a credit card or a gas company comes to us for a bond, if a gas company comes to us for something else, the answer is we've approached this from our exposures to the companies because that's the only useful link we have.

If we underwrite a bond, that is an exposure at the point we take it on. So, I don't see the point of this question.

Jacqueline Marks: (Shareholder) The point is that NAB has been commendable in addressing...

Philip Chronican: And we will continue to address it.

Jacqueline Marks: (Shareholder) ...the reduction of its funding of fossil fuels, and this is a loophole that could be addressed.

Philip Chronican: Look it's not a loophole, it's not a loophole. I think we're just wasting people's time here.

Jacqueline Marks: (Shareholder) No, I disagree, I think that...

Philip Chronican: Well I'm sure you do. You wouldn't have asked the question otherwise.

Jacqueline Marks: (Shareholder) I think we're drawing people's attention to an opportunity but it is still very much available for fossil fuels, but shareholders are saying look, we could work on this.

Philip Chronican: But you're jumping at a shadow that hasn't occurred, so I'm sorry, we're not there.

Jacqueline Marks: (Shareholder) In the interest of moving forward to a person behind me, but I do ask you to perhaps take that comment away and have a look at it, thank you.

Philip Chronican: Thank you. All right, do we have one more question?

Operator: Yes...

Philip Chronican: By the way, this is the last question, thank you.

Operator: Chair, I would introduce Mr Jeremy Phu Howard.

Jeremy Phu Howard: (Shareholder) Thank you, Chair, my name is Jeremy, I'm a highschooler, I'm a school striker for climate and I'm part of the generation that's going to have to live through the climate crisis. I'll try to keep the question quick.

In its 2023 Climate Report, NAB proudly tells that it had no direct lending to coal-fired power generation assets since March 2022, and as of 30 September 2023, no longer has any lending facilities to the thermal coal mining projects or companies. Yet NAB says it will continue to support LNG infrastructure in Australia, New Zealand, and Papua New Guinea.

In fact, under its current policy NAB could still finance many kinds of new or expanded fossil fuel projects, including metallurgical coal mines and pipelines for new oil and gas fields. This clearly falls behind your peer Westpac who has ruled out directly funding projects like this. NAB has previously said it's not funding new fossil fuel projects yet seems reluctant to commit to ruling it out.

Can you guarantee to shareholders that you will not be financing any new or expanded fossil fuel infrastructure going forward?

Philip Chronican: Thank you, and our commitment is what we've published in the Climate Report. Thank you for your question.

That's the end of the meeting. On behalf of the Board, I would like to thank all of you for joining us here today, and I would like to thank our customers and shareholders for their continued support of National Australia Bank. I would also like to thank my fellow Directors, the executive team, and the NAB people for all of your hard work and

commitment in 2023. To David Armstrong and Peeyush Gupta, thank you again for your service to the Company as Directors over the last nine years. We all wish you the very best for your futures.

I now formally declare this Annual General Meeting closed and confirm that voting will remain open for a further 10 minutes to allow ample time for shareholders and proxyholders to submit any final votes. For shareholders present who have written on your voting cards, please place them in the boxes that are available from the attendants. Voting results will be released to the ASX and will also be available on the AGM page of our website.

I would now welcome the shareholders present to share some refreshments and visit the customer and shareholder enquiries, the fraud and scam safety, the retail and digital banking, and the NAB trade information desks outside. Thank you very much.

**End of Transcript**



