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## Start of Transcript

Louise Thomson: Good morning. Welcome to National Australia Bank Limited's hybrid Annual General Meeting in Melbourne and online. I'm Louise Thomson, Group Company Secretary. Before commencing this meeting, I would like to invite Sue-Anne Hunter, a proud Wurundjeri and Ngurai Illum Wurrung woman and a Deputy Chair and Commissioner of the Yoorrook Justice Commission to Welcome us to Country.

Sue-Anne Hunter: Thank you. Wominjeka NAB Board, shareholders, guests, NAB employees in the room and those online. In my language, wominjeka means to come with purpose. The meaning is particularly fitting today as we gather for the AGM where your purpose is very clear, for the Board to engage with shareholders, provide updates on Company performance and strategic direction, address important business matters and fulfil legal and compliance requirements.

As a Traditional Owner, I welcome you to my Country. I pay my respects to our ancestors who walked these lands since a time immemorial, to our Elders past and present, to our emerging leaders who carry our cultural knowledge forward. I want to acknowledge NAB for the sharp focus on its Reconciliation Action Plan launched this year, particularly its emphasis on the economic advancement of First Nations people.

The commitment to more than doubling the lending to First Nations businesses and community organisations to \$1 billion over three years is significant, but equally important are the other commitments NAB has made. Supporting 30,000 First Nations people with no interest loans through the Good Shepherd partnership, increasing First Nations employment to 380 colleagues, investing in First Nations led research to understand barriers and opportunities for business growth, providing dedicated support through First Nations business specialist team and maintaining strong partnerships of the organisations like Indigenous Businesses Australia and Jawun.

This year at the Yoorrook Justice Commission, Australia's first formal truth telling inquiry, where I'm a commissioner, we called for an inquiry focusing on economic prosperity and development, highlighting areas where our people continue to experience discriminatory treatment in employment, education and access to capital. This has been our past but it does not need to be our future. Economic self-determination has been fundamental to creating positive change for our people.

Financial institutions like NAB have a crucial role to play as key drivers and influencers of the economy and people's economic wellbeing. Through initiatives like the Indigenous Customer Service Line, cultural awareness training for bankers and increasing First Nation's representation in leadership, NAB is working to remove barriers and create genuine opportunities for our people.

May the spirit of my Country guide your discussion and decisions today and may your deliberations contribute not only to NAB's prosperity, but to building a more equitable future for all our communities where First Nations people have equal access to financial services and opportunities to grow their business and create intergenerational wealth. I welcome you to the land of my ancestors, the Wurundjeri. Wominjeka. Thank you.

Louise Thomson: Thank you, Sue-Anne. This is a shareholder's meeting. Please be courteous and respectful. Silence your phones and avoid taking photos or recording unless you are accredited media. Disruptions won't be tolerated and the Chair may ask anyone causing a disturbance to leave. These things will help us conduct the meeting smoothly. Your safety is important. In the case of an emergency, follow the warden's instructions for evacuation.

Many shareholders and proxyholders have already voted and submitted questions. Thank you. All voting today will be by poll. You can submit your votes at any time from when the Chair opens the poll until 10 minutes after the meeting ends. Christina Piccolo from Computershare will act as the returning officer and the meeting results will be announced later today on the ASX platform.

Now, for today's procedures. If you're here in person you will have received a white or green card if you're a shareholder or proxyholder and a yellow card if you're a visitor. Use the white card for voting. Scan the QR code to use your mobile or fill out the card and drop it in the ballot box. We have four microphone points for questions from white or green card holders. Move to the nearest one when invited or if your mobility is restricted, raise your

hand for a roving microphone. Visitors with yellow cards can't vote or ask questions but are welcome to listen.

For online shareholders and proxyholders, use the Vote and Q&A buttons on your screen. You can change your vote until the Chair closes the meeting. If you need help, access our meeting guide online by clicking Documents on your screen, visit our website or call the number on your screen. You may submit written questions now. We'll read them out during the meeting and the Chair will respond. No shareholders pre-registered for the phone line so there won't be any questions from the phone.

The Chair will take questions from those in the room first and then online. To give all shareholders a reasonable opportunity to participate, please keep your questions relevant to all shareholders and concise. Oral questions should be under two minutes and written questions under 1,000 characters. That's four or five sentences. For efficiency, where there are logical groupings of Items of Business, the Chair will invite questions on them together.

The Chair will take all climate related matters – questions – at Items 5A so that related topics are discussed together. There will be an opportunity for general questions after that. Online questions on the same topic may be summarised or combined to avoid repetition. Given the number of questions expected, the Chair will aim to address a broad range of topics, but it is possible not all questions will be answered. If we experience technical difficulties, the Chair may pause, adjourn 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 just after 9:30am. This is a properly constituted meeting and a quorum is present. I therefore declare the Annual General Meeting of National Australia Bank Limited open and welcome shareholders, proxyholders and guests.

It's a pleasure to chair this meeting in Melbourne and terrific to see those of you here in the room. Welcome also to those who are joining us online. I would like to pay my respects to the Wurundjeri people, their Elders past and present and acknowledge their continuing traditional connections to land and waterways and their responsibility in caring for the Country that we are privileged to meet on here today. I'd also like to acknowledge any other First Nations people with us today and want to thank Sue-Anne for welcoming us here.

Before delivering my address, I'll make some introductions. On the stage with me today are our Group Chief Executive Officer and Managing Director, Andrew Irvine, our Group Chief Financial Officer, Nathan Goonan, my fellow Non-Executive Directors, Alison Kitchen, Simon McKeon, Kathryn Fagg, Ann Sherry and Christine Fellowes. Also, Warwick Hunt, Anne Loveridge, Doug McKay and Carolyn Kay. On my right is our Group Company Secretary that you've already met, Louise Thomson.

Also present with us in the meeting today are Tim Dring, the Lead Engagement Partner of our auditor, Ernst & Young, who is available to answer questions related to the Audit Report. NAB's Senior Leadership Team is also present in the room. Assisting us today is Virginia Porter, a senior member of the NAB team, who will be reading out the online questions.

As Louise said, all resolutions to be considered at this meeting will be decided on a poll. I now declare the poll open on all resolutions 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 28 questions, all of which I have read personally and the common themes will be covered in our formal addresses today.

My address today reflects on our performance for shareholders over the past year and discusses the future of our Bank. During the past five years, NAB, our colleagues and our customers have benefited from strong and stable leadership, focused on consistent and disciplined execution of the Bank strategy. This has led to renewed strength, stability and momentum in the Bank. These attributes allow us to support our customers and the economy through cycles, including during the current period of high inflation and the impact of the higher cost of living.

We are providing better banking experiences for our customers and remain the Australian market leader in lending to businesses. In February, Ross McEwan announced his retirement from NAB after a successful four and a half years as our Chief Executive Officer and Managing Director. Shareholders can be very pleased with Ross' leadership. NAB is now recognised as a good bank that consistently does the basics well for our customers.

The Board appointed Andrew Irvine as our new Chief Executive Officer to build on the work already underway and to address the opportunities and challenges of the future. It was pleasing to have managed an internal leadership succession, the process highlighting the depth of talent within NAB. Our colleague engagement improved during the year and

remains above our top quartile target reflecting a persistent focus on the experience of our colleagues.

Culture, governance and accountability continue to be core to NAB. The Australian Prudential Regulation Authority removed our \$500 million operational risk capital add-on in March, stating that it was satisfied that NAB had adequately addressed the issues raised in its risk governance self-assessment and had completed its related remediation program.

We continue to make progress on the implementation of our Enforceable Undertaking with AUSTRAC and are investing heavily to help keep Australia's financial system safe. While we don't always get it right, we do take action to resolve issues quickly. Cyber security threats, scams and fraud represent a significant and ever-changing attack on our customers and on the global financial system. Our collaboration with government authorities and industry on these issues remains critical.

NAB's second half performance benefited from focused execution of our strategy and a more stable operating environment. Our cash return on equity declined in the financial year 2024 to 11.6% to be broadly in line with the returns achieved in financial year 2022 and ahead of two of our three major bank peers.

It was pleasing to deliver a modest increase in the dividend in a challenging environment. The Board determined dividends for the year of \$1.69 per share which reflects a payout ratio of 73.7%. This is in line with our target payout ratio range of between 65% and 75%, which we believe is sustainable over time. We are taking a disciplined approach to reducing our share count to support shareholder returns and have continued our on-market share buy-back while maintaining a strong capital position.

In the financial year 2024, NAB returned \$5.2 billion to shareholders through dividends and share buy-backs. At 30 September, NAB had completed \$2.4 billion of the current \$3 billion share buy-back and our Common Equity Tier 1 capital ratio stood at 12.35%, comfortably above the target range of 11% to 11.5%.

During the three years to September 2024, we achieved a total shareholder return of 51.1% against an average return of 24.6% for NAB's major bank peers. Executive and employee remuneration outcomes for the year were determined by the Board based on the Bank's performance against the targets set by the Board at the start of the year. These targets were aligned with shareholder outcomes and included financial performance, market share growth, customer outcomes and colleague engagement.

The Board determined a Group Performance Indicator outcome of 90% for the 2024 financial year for variable reward purposes. This outcome reflected slight shortfalls in our financial outcomes, Customer Net Promoter Score results and gender diversity, although we had some very good progress on that measure, while also recognising pleasing colleague engagement and progress on technology modernisation.

The Board is focused on creating value for our shareholders and our customers. We have continued to invest time in educating the Board on important matters such as the climate transition, technology and digital innovation. There have been a number of changes to the composition of the Board this year.

Doug McKay stood down from the Board of NAB's New Zealand subsidiary, the Bank of New Zealand, in May after serving nine years as Chair and 11 years as a Director. Doug will retire from the NAB Board at the conclusion of this meeting having served almost nine years as a NAB Director. Anne Loveridge will also retire from the NAB Board at the conclusion of this meeting having served nine years.

On behalf of shareholders, I would like to thank both Doug and Anne for their significant and valued contributions. Doug's role at the Bank of New Zealand was filled by Warwick Hunt and in keeping with our recent practice, we have appointed Warwick to the NAB Board to be considered for election by shareholders as the first Item of Business at this meeting.

Maintaining a long-term view and adjusting accordingly is critical for building sustainable value for shareholders, customers and community. Underlying growth in the Australian and major global economies underpins our optimism for the future, although global geopolitical risks remain elevated. Technology is a critical enabler and we continue to modernise and invest in digital, data and analytics, including artificial intelligence to support our customers and our bankers.

Climate transition remains a societal issue of global scale and complexity. NAB is supporting our customers to make investments to reduce emissions, to adapt and to build resilience. During the year, we set a further five 2030 decarbonisation targets across two emissions-intensive priority sectors, real estate and transport.

Within the real estate sector, we have set targets for commercial office, commercial retail and residential. Within the transport sector, we have set targets for road and shipping. This progress is in line with the requirements of the Net Zero Banking Alliance and our

ambition to achieve net zero across our financed and facilitated emissions and operations by 2050.

Work to support NAB's agriculture customers to decarbonise is ongoing. Transition planning for this critical industry will be guided in part by the Federal Government settings and the availability of commercially viable and scalable decarbonisation solutions. The diversity of the agricultural industry and the complexity of the challenges facing it was made clear to me during the time that I spent visiting NAB's customers this year.

I was fortunate to see some terrific examples across cattle producers, farmers and wine makers, of Australian businesses seizing opportunities in the climate transition. Supporting our customers, small and large, to invest in their transition, Australia's net zero transition, is critical and NAB is playing its part.

Also important is NAB's support for Indigenous communities and this is reflected in our 2024 to 2027 Reconciliation Action Plan as well as our target of lending \$1 billion to First Nations businesses by the end of 2026. Through the provision of banking services, business lending, employment and our partnership with Good Shepherd, NAB is making a real difference to First Nations communities and colleagues.

In closing, on behalf of the Board I would like to thank you, NAB shareholders, for your continued backing and your loyalty and I'd also like to recognise our team of 39,000 colleagues who serve our customers every day. NAB is in good shape with good momentum and there's more we want to do to fulfil the ambition that we hold for this organisation. I'm now pleased to welcome our new Chief Executive Officer, Andrew Irvine. Thank you.

Andrew Irvine: Thank you, Chair and good morning everyone. Welcome to our shareholders in the room and online. I am delighted you could join us today. I want to add my own acknowledgement of Country to that of the Chair and Sue-Anne. This year is my first year as your National Australia Bank Chief Executive Officer. I was honoured in April to be appointed to this role and continue NAB's legacy of supporting customers for over 160 years.

Since my appointment as CEO, much of my time has been spent listening to customers and to colleagues. I have appreciated hearing their views on what is working and where we can do better. As the Chair noted, our strategy over the past five years has served us well under the leadership of Ross McEwan, who I am very privileged to follow. To build on this, leaders across our Bank worked this year to refresh our strategy.



The solid foundations of NAB and keeping the Bank and our customers safe are not changing. We will always prioritise stability, good governance and sustainable growth. What is changing is our ambition to be better for our customers, to be simpler and to be a faster paced organisation. Customers must be the centre of everything we do as a company.

NAB's results in financial year '24 reflected our focused execution of our strategy. Cash earnings for the year were \$7.1 billion, 8.1% lower than the strong levels of financial year '23 due to lower revenue and higher costs. In the second half of the year, a more stable operating environment has seen margin pressure ease. We delivered a sound financial performance across each of our divisions while operating in a challenging economic environment.

We continued to make deliberate decisions about where to invest to achieve the best outcomes for customers and for the Bank. NAB's performance highlights the strength of our relationships with customers reflected in consistent growth of our leading business bank. This continues to be a terrific business that plays a key role in the Australian economy. We are the largest lender to small and medium businesses in Australia. During the past four years we have boosted our business lending to over \$155 billion to support them.

Businesses I talk to remain ambitious. They're eager to invest and to become more productive and we are ready to support them. Small businesses are the heartbeat of the Australian economy and when they succeed, we all do. That's why we will continue to advocate for them and find solutions that help them grow. Many of the challenges that they are facing are not new, but new thinking is required to overcome them. Corporate and Institutional Banking, Personal Banking, Bank of New Zealand and ubank also performed well, demonstrating NAB has the right mix of customer facing businesses.

This year, I renewed my executive leadership team appointing from within. Rachel Slade was appointed Group Executive for Business and Private Banking, Cathryn Carver was appointed Group Executive for Corporate and Institutional Banking and Ana Marinkovic was appointed Group Executive for Personal Banking. They are all part of a great team of diverse bankers leading our colleagues to help our customers.

Despite headwinds internationally and domestically, Australia's economy is in reasonable shape and we are optimistic about the long-term outlook. Business conditions are favourable and the job market is resilient, positioning us well compared with global peer



economies. Restrictive interest rates are working to bring inflation into the Reserve Bank's target range and we do expect to see rates decrease in the first half of 2025. In the meantime, we do recognise that many customers are finding the higher cost of living challenging and we are here to help. Our message is clear, please call us and call us early.

We are continuing to work relentlessly to protect our customers and our Bank from criminals. In the past year, customers abandoned more than \$170 million of potential scam payments as a result of our payment alerts and customer losses from scams has fallen 20% compared to financial year 2023. In the year ahead, our teams will continue to work with government and other businesses including telecommunications, social and digital media companies, to stop more scams.

Housing availability in Australia remains an enormous societal and policy challenge. While NAB has made good progress on our plan to deliver \$6 billion to support more affordable and specialist housing by 2029, scalability is crucial to success. Greater innovation in both housing types and methods of construction is key to help tackle this crisis. Similar to many other industries, banking has seen a significant transformation driven by rapid technological advancement and changing customer behaviour.

Today, more than 93% of our customer interactions occur digitally. Many of these are routine transfers and bill payments. But this does not mean that all banking should be done on an app.

While the number of people visiting our branches has decreased, there are times when our customers seek expert advice from our bankers. That's why we're constantly assessing our branch network, our phone and online channels to ensure we are where our customers need us to be.

I have said publicly since becoming Chief Executive Officer, that I will not close a busy branch. We have invested almost \$42 million across 28 locations, including 11 regional towns this year. Towns such as Moree, Kalgoorlie, Davenport and Wangaratta.

We are also appointing more local home lenders to be there for our customers and support the biggest purchases in their lives, joining the many bankers we have on the road every day visiting customers in their homes and their place of business.

Through NAB and the NAB Foundation we support regional and rural Australia. This includes initiatives such as NAB Ready Together which helps Australians to withstand and recover from natural disasters.

We are working closely with customers and the community on the transition to net zero and have an environmental finance ambition of \$80 billion by 2030. There needs to be an orderly transition to net zero that balances the social, the economic and the environmental requirements. We very much look forward to playing our role.

Additionally, by working with First Nations people, we are supporting financial resilience, increasing business and employment opportunities and removing the barriers that traditionally made access more difficult to financial services.

I want to thank you, our shareholders, for your continued support. I also want to add my thanks to our 39,000 colleagues for doing their best for customers every single day. I am pleased with how NAB is tracking and I hope you are too as the owners of our Bank.

We have made significant progress and we have the right foundations in place. By working together, we can continue to fulfill our ambition of delivering exceptional experiences for our customers. I am excited about the future and what we can achieve.

I will now hand back to our Chair.

Philip Chronican: Thank you, Andrew. I will now proceed with the formal business of the meeting. The Notice of Meeting was made available to shareholders on 7 November and I propose that it be taken as read.

All items, other than Items 4 and 5B, are resolutions to be voted on at today's meeting. Item 5B is a conditional item and it will only be put to the meeting if Item 5A is passed. For Item 5A 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 5A and 5B and in favour of all other items.

So that shareholders can see the full picture of direct and proxy votes received in advance of the meeting for each item, it's being displayed on the screen now, including the conditional Item 5B, which as you can see, will 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 your questions now.

As Louise said, for the orderly conduct of the meeting, I ask that you hold any questions related to climate change, including on our policy position and on our disclosures, until Item 5A so that we can keep related topics together. I'll take general questions after the formal Items of Business.

So I'll now turn to the first Item of Business, election of a Director. This year one Board-endorsed Director will retire at this meeting in accordance with the Company's constitution and offer himself for re-election.

Warwick Hunt was appointed as a Non-Executive Director on 2 December, and if elected, this will be the start of his first term serving you on the Board. Warwick became Chair of NAB's subsidiary, Bank of New Zealand, earlier in the year. He brings breadth and depth of skills and experience to our Board after a long career in professional services in various countries.

Details of Warwick's qualifications, career, experience and other interests are set out in the Notice of Meeting. The Board has undertaken an evaluation of Warwick's independence and his capacity and capability to undertake the duties expected of a Director of this Company.

Having considered these factors and the combined skills of the Board, the Board fully supports the election of Warwick. Warwick, would you now like to address the meeting?

Warwick Hunt: Thank you, Chair, and good morning fellow shareholders. The banking sector is critical to the functioning of any modern economy, and its success underpins the aspiration, ambition, and wealth of our Australian and New Zealand communities.

National Australia Bank plays an important role in that, and I am delighted to have been asked to join the Board. I bring to the Board some 30 years as a Partner in PwC member firms across New Zealand, the Middle East, and the United Kingdom.

The first 20 years of that period was spent in performing and leading large and complex audits in banking, in aviation, in energy and in agribusiness. The next 10 years was spent in advisory services to the same sectors.

Through the opportunity to work with major world leading organisations, I was able to obtain unique insights into their strategies, their operations, and most of all, their governance.

In addition to that, since 2002, I was involved in the leadership of a number of PwC's member firms. I led in New Zealand, led the Middle East region, and I ended my career as the Managing Partner of PwC United Kingdom, and Europe, Middle East and Africa.

In those roles, I was accountable for the determination and ultimate execution of strategy and for leading on a multijurisdictional basis very, very substantial transformation of those broader firms and the broader network.

That enabled me to provide or obtain unique insight as we actually looked at major change. Whether that change came through disruption, like the Arab Spring in the Middle East or post-Brexit Britain, and of course, the challenges of navigating through the pandemic. The insights obtained in those roles have direct application in financial services.

I've also through having been fortunate to work in so many different parts of the world and diverse cultures, learnt to operate as a team player. While I'm not afraid to challenge, I always attempt to do that in a courteous and constructive manner and focus always on the issue at hand while being supportive of the person actually dealing with the issue.

Through the past six months at the Bank of New Zealand and chairing Bank of New Zealand, I've also been able to obtain insight into the ethos of National Australia Bank and I'm very, very confident that my own ethos is very much aligned in that regard.

Finally, since my retirement from PwC in the United Kingdom, I have accepted only two Board roles. At Bank of New Zealand and at Genesis Energy, which is a large scale generator and retailer of energy in New Zealand listed on the NZX and ASX.

As such, and if elected to the Board of National Australia Bank, I am certain that the overall workload is manageable and I have the time to devote to the business of National Australia Bank. Thank you for inviting me to speak today.

Philip Chronican: Thank you, Warwick. I now invite questions on Item 1, the election of Warwick Hunt. If you're in the room and you wish to ask a question and are eligible to, please move to the microphone point nearest to you now.

I have a question at microphone number 1.

Moderator: Chair, I'd like to introduce Peter Starr.

Peter Starr: (Shareholder) Morning, Phil, how are you?

Philip Chronican: I'm well, Peter. Welcome to the meeting.

Peter Starr: (Shareholder) Thank you and welcome to all the other shareholders, the mum and dad shareholders in the room as well. Phil, just a couple of questions. We'll be supporting Warwick's nomination to join the Board.

Just one question through you to, Warwick, either yourself or Warwick to answer. In New Zealand, are there any regulatory problems that Warwick has had to deal with or issues that haven't been disclosed – haven't been spoken about in the Notice of Meeting please?

Philip Chronican: Unless Warwick has got anything to add, I don't think there are any material regulatory issues in New Zealand with the New Zealand regulators. I think – no. obviously we've just been through the year end process where we've documented all of the issues in front of us and we're not dealing with any significant issues.

I should say here, we're always having regulatory issues but there's nothing I think of any materiality that you'd need to be concerned about, Peter.

Peter Starr: (Shareholder) Thank you, Phil. Ta.

Philip Chronican: Microphone attendant number 2.

Moderator: Chair, I would like to introduce Craig Caufield.

Craig Caufield: (Shareholder) Good morning, everybody. I would like to support your nomination, Mr Hunt, and I think that's an excellent background career. My wife's from New Zealand so we travel to New Zealand regularly.

I'm wondering, ANZ has the dominant position in New Zealand, unlike in Australia. I'm wondering what is happening to increase BNZ's market share in New Zealand, vis-à-vis ANZ being perhaps twice the size of BNZ, being NAB.

Philip Chronican: Thank you. Thank you, Craig. As you may know, I've also got very close connections to New Zealand and take a keen interest in the business over there. Warwick, I wonder if I could get you just to make a couple of brief comments about the momentum in the New Zealand business? Because I know that there's been some positive developments.

Warwick Hunt: Thank you very much indeed for the question. Yes, ANZ is still the largest bank in New Zealand. But you'll find the margin of that leadership is diminishing. Bank of New Zealand is very focused, as indeed is National Australia Bank, on the business market.

But I'm pleased to say that the strategy that has been adopted under the leadership of my predecessor, Mr McKay, is leading to gains in market share across all of the key segments. So while we are in no way complacent, and we remain very, very humble about this, it is our intention ultimately to become the best bank in New Zealand.

Craig Caufield: (Shareholder) I note that's the same intention of Andrew Irvine, to really uplift customer service. What specific things can you do to increase that market share further? Are there particular items you can refer to?

Warwick Hunt: I think the obsession with customer service is a very, very good example. We've always had that position in Business Banking. It's actually bringing that more broadly to Personal Banking and also, a very, very strong focus on the Auckland market. Where certainly if you were to look at us say seven or eight years ago, we were not as strong as we actually needed to be.

Craig Caufield: (Shareholder) One final thing. I notice when I drive around New Zealand, a lot of the New Zealand banks and branches have a model of going to part-time or half-time or something like that. What's the status of branch closures or how are you dealing with branches in New Zealand?

We know what's happening in Australia. There's been 1,000 branch closures in the last several years across all the banks. Is it the same in New Zealand or is there a different strategy there?

Warwick Hunt: Speaking to the New Zealand strategy specifically, we have 127 branches across New Zealand. We have no present intention of changing that. To the very good point you make in around part-time staffing of those branches, we're moving back to a full five day a week model.

Craig Caufield: (Shareholder) Thank you very much.

Philip Chronican: Thank you, Mr Caufield. Do we have another question at microphone number 1?

Moderator: Chair, I'd like to reintroduce Peter Starr.

Peter Starr: (Shareholder) Thanks, Phil. It was remiss of me not to mention on behalf of the shareholder and proxy holders, we'd just like to thank Doug for his good service and commitment that he's given to the Board. We wish you all the best, Doug. Thank you.

Philip Chronican: Thank you for that recognition of Doug and Anne's contribution. Are there any more questions in the room on the election of Warwick Hunt? I don't see any. I'm sorry. Number 4. Microphone number 4.

Moderator: Chair, I'd like to introduce Joanna Richardson.

Philip Chronican: Thank you.

Joanna Richardson: (Shareholder) Thank you. Just a quick one and excuse my ignorance, but that New Zealand energy company, where's it getting its energy from or what sort of energy is it doing?

Warwick Hunt: Thank you for the question. Genesis produces 60% of its energy largely from hydroelectric sources. Around 40% is thermal, but is subjected a very well documented plan of transition as we actually shift to a culmination of hydroelectricity, electricity and wind power.

Joanna Richardson: (Shareholder) Thank you.

Philip Chronican: Microphone number 1.

Moderator: Chair, I would like to introduce Spiro Arkouzis.

Philip Chronican: Thank you.

Spiro Arkouzis: (Shareholder) Good morning, Mr Chairman. Good morning, Board. Good morning, Andrew. Good morning, Warwick. I'd like to also extend a welcome to our Institutional shareholders and our Retail shareholders this morning.

Warwick, definitely we support you and vote for you. Amazing credentials and an amazing background of experience to bring to the Board. So I'd like to congratulate you in advance.

A question I have in relation to New Zealand. Is there expansion plans that you have in place or working on with other branches opening or anything on the expansion process to further the business and grow the revenue?

Philip Chronican: I think it's unfair to ask Warwick questions after the first six months. But can I just make a comment about our New Zealand business, the Bank of New Zealand, over the time I've been on the NAB Board, which is now, dare I say it, eight years, has consistently grown market share and consistently had very strong net promotor scores, customer net promotor scores.

So our organic growth has actually been quite impressive over that time and we are continuing to invest in improving both the physical shape of the business there, but importantly, investing in new technology which will continue to support that business growth.

So I think if you look closely at the performance of that business over the last eight or nine years, you'd be impressed with the organic growth that it's achieving and we will get in behind that and continue to support it.



Spiro Arkouzis: (Shareholder) Thank you, Philip. Will there be more expansion in New Zealand? Even though that we've seen what's happened over the last five to eight years. Is there other plans for expansion in New Zealand?

Philip Chronican: There's no current plan to have a step change in that sense. But the point I'm trying to make is that we are getting very good organic growth in that business and we do, every now and then, make small changes in the business portfolio mix. There have been some small divestments and some investments made.

But actually, the shape of the business we have itself is very good and performing very well.

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

Philip Chronican: Thank you.

Spiro Arkouzis: (Shareholder) Thank you.

Philip Chronican: Not having any more questions from the floor. Virginia, do we have any more questions online?

Virginia Porter: Thank you, Chair. We have a question from Mr Stephen Mayne. Under our constitution, external nominations for the Board must be lodged at least 45 days before the AGM.

With this rushed pre-Christmas AGM, the last nomination date was almost a month before we released our full year results on 7 November. Could the Chair and today's only candidate for election, Warwick Hunt, provide a rationale for this clear governance breach of closing Board nominations before even telling shareholders how the Directors performed for the year?

Why not just shift the AGM to February to fix this governance flaw?

Philip Chronican: Thank you. This issue was dealt with in quite some depth at last year's AGM. Some shareholders may recall that. The closing date for the nominations needs to be 45 days before the AGM and because of the timing with our 30 September financial year and the release of our profit result, usually in the first week of November, if we were not to close off the nominations before the full year results being released, we would have to put our AGM off until, as the questioner suggests, sometime in February.

That is a long time for shareholders to wait, to face into a Board, indeed it would be one month before the end of the following half and we think that is far too long a time. We've had no support from any other shareholders for taking the AGM past Christmas and into

the new year. So having dealt with the issue last year, I think we can consider that issue closed.

Thank you. Are there any further questions online about the election of Warwick Hunt?

Virginia Porter: Chair, we have a further question from Mr Stephen Mayne. Thank you to Doug McKay and Anne Loveridge for their nine years of service on the Board, which concludes after today's AGM. It is always helpful for investors to have access to some exit perspectives from retiring Independent Directors. In their final contribution as NAB Directors, could Doug and Anne please briefly comment on what they regard as the best two decisions NAB made during their time on the Board and do they have any regrets?

Philip Chronican: I would welcome the opportunity for Doug and Anne to speak. I don't know who wishes to go first, maybe Anne, would you like to go?

Anne Loveridge: Thanks for the question and of course it's a time of reflection and we did that with the Board earlier this week. Certainly the best decision was reflection post the Royal Commission of needing to have more of the customer voice in the room of the Board and so we established a Customer Committee, so beyond the usual Audit, Risk and Remuneration Committees, we have a standalone Customer Committee.

We also have an independent customer advocate who comes to that meeting and brings the voice of the customer and particularly vulnerable customers into the Boardroom every time we meet. That certainly changes the lens through which you often are looking at some of the challenges and I definitely think that's the best.

Regrets, this probably won't be a surprise to anyone who's been a long-term attendee at NAB AGMs, but I was chairing the Remuneration Committee through much of my tenure and we had determined that we would change the remuneration framework for executives in 2018, which of course was the year of the Royal Commission. With hindsight, that was a poor time to change and the framework had a number of flaws in it that were not evident to us at the time until we were facing into such a difficult year, so we subsequently changed it. So, if I had my time again, we wouldn't do that.

Philip Chronican: Thank you.

Doug McKay: Thank you for the question. Undoubtedly my highlight was working along with Ann Sherry as the Board's CEO selection committee as we had to respond to the fallout from the Royal Commission. In so doing, Ann and I secured Ross McEwan as our CEO at such a critical time for NAB. That, for me, is a very big highlight.

Well, regrets, as the song goes, I've had a few. The biggest one for me is not identifying earlier the fraud perpetrated by our Chief of Staff on the Bank. That is something that we, from that time, all have to live with and take responsibility and ownership for. So that's where I would come out. Thank you.

Philip Chronican: Thank you. Virginia, are there any further questions on the election of Warwick?

Virginia Porter: Chair, we have a question from Ms Natasha Lee. Inclusion and diversity is noted on page 34, but the Board appears to lack diversity apart from gender diversity. The life experiences and contribution from a diverse Board that reflects the community would ensure NAB better meets the needs of your customers.

Philip Chronican: Thank you and thank you, Natasha, for that question. The Board is acutely conscious of the need to reflect diversity in all its forms, including skills, styles and form of contribution and we are looking to ensure that we have that skill mix. We are looking to build up our technology and digital skills, we've been educating the Board on environmental issues, obviously it's important that we never forget that we're in banking, so having banking risk management skills, people, community engagement skills.

Over the time I've been on the Board, we've also had a very good track record of managing ethnic diversity on the Board with two Directors over that time with non-traditional Anglo backgrounds. After Peeyush Gupta stepped down last year, we no longer have that diversity, but we would welcome the opportunity to reinject it at the right time when the right skill mix presents itself. I welcome the question, it is one that we do take seriously and we're always alert to, so thank you, Natasha, for the question.

Virginia, do we have any further questions?

Virginia Porter: No further questions on this item, Chair.

Philip Chronican: Thank you. I think we've got another question from the floor at microphone number 2.

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

Craig Caulfield: (Shareholder) Thank you, Chair. I think that was very interesting actually hearing the highlights and the things that you had doubts about and for exiting Directors, that would be a good rule to have in the future, just to hear those comments, so thank you to Stephen Mayne for raising that. I'd like to wish Anne Loveridge and Doug McKay all the best in their retirement and thank you for your lengthy years of service.

I'd particularly like to thank Doug McKay who I've had a couple of conversations with after the AGMs and I've always appreciated that NAB, yourself as Chair and the Directors all circulate with shareholders to discuss some things offline. So I hope you have a good – a nice bottle of Te Mata Coleraine to celebrate, Doug.

I do have one further question. That is, when I look at ANZ Australia owning ANZ New Zealand and Westpac Australia owns Westpac New Zealand, NAB Australia owns BNZ. Has there been any thought or consideration to rebranding BNZ to NAB? Or is BNZ a fixed logo brand?

Philip Chronican: I think we're very proud to own the brand, Bank of New Zealand. It's an iconic and historically important brand in New Zealand with massive resonance in New Zealand. Being a New Zealander, I know that calling a bank Australia in New Zealand probably isn't going to cut it as well, so we'll stay with that one.

I'd just like to endorse your choice of wine, Mr Caulfield, it's my favourite as well.

Craig Caulfield: (Shareholder) Oh terrific, okay. So I'll take it as no more underarm bowling. Thank you.

Philip Chronican: Thank you. All right, I think we're done with questions, so shareholders I'd now like to formally put to you Item 1 as set out in the Notice of Meeting. Oh, I'm sorry, I've missed a question. Microphone number two.

Moderator: Chair, I would like to introduce Jim Schembri

Jim Schembri: (Shareholder) Thank you very much. Hi. Listen, just a quick question about your diversity policy. There appears to be a wind of change in the United States regarding diversity policies. A lot of major companies, including Brown-Forman, Molson Coors, Tractor Supply, Jack Daniels, Harley Davidson, Lowe's, John Deere, Toyota and Ford have rethought their diversity policies in terms of going back to a more basic concept of equal opportunities, rather than quotas or pushing diversity agendas.

I'd like to know what the Company's response is to what appears to be pretty major realignment towards DEI policies in the United States and is the Company considering realigning its diversity policies more along the lines of basic equal opportunities? Thank you.

Philip Chronican: Thank you for your question. I don't see any conflict between our approach to diversity and equal opportunity or merit-based selection. What we know today is that, in fact for some time now, university graduates who leave university qualified in

the areas that we're interested in have been roughly 50/50 or indeed some cases majority female. Therefore, it's highly likely and should be expected that around half of the available talent pool will be women and that a large number of the talent pool will be from non-traditional Anglo backgrounds.

Therefore, if we are selecting the best person for the role, it's highly likely that those people will be somewhere within that 40 to 60 percentage male/female mix and that the percentage of people with non-Anglo backgrounds will represent themselves from time to time in those roles as well. So there's no inconsistency with having a Board that reflects the population of people in qualified areas, indeed it would be the logical outcome of a merit-based selection process.

Jim Schembri: (Shareholder) Thank you very much. Just to clarify that, merit comes before everything else?

Philip Chronican: Yes, you may rest assured that when we are selecting Directors, our first criteria is their appropriateness and the merit for the role. Thank you.

Jim Schembri: (Shareholder) Outstanding, thank you very much.

Philip Chronican: We might have another question at number 1.

Moderator: Chair, I'd like to introduce Robert Caterson.

Robin Katerson: (Shareholder) Thank you, Chairman. I saw you last time at the Woolworths Annual General Meeting.

Philip Chronican: Yes.

Robert Caterson: (Shareholder) I'd just like to make a comment about Doug McKay and his involvement with Ann Sherry in selecting our previous CEO. I think it's very refreshing and think the last time I was at an NAB Annual General Meeting, we had the predecessors. That was a sorry state the Bank was in and I made comment that the dividend was lousy, the share price was lousy and this current Board and the way that Mr McEwan and probably now his successor, Mr Irvine, will do a much better job than their predecessors and I think the Bank over the last four or five years should be congratulated for its outstanding performance.

Another comment, with the way the Bank's timing of the Annual General Meeting, it's the first time that I've seen the Bank pay its dividend before its Annual General Meeting. Thank you very much.

Philip Chronican: Thank you. Now I'm doubly checking, I see no further questions in the room. So, shareholders, I'd now like to formally put to you Item 1 as set out in the Notice of Meeting. So please record your vote now, if you've not already done so. Thank you.

We'll now turn to remuneration-related matters. Item 2 is the Remuneration Report. The Remuneration Report is in the 2024 Annual Report. Items 3A and 3B relate to deferred rights and performance rights to be granted to the Group CEO 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 is how much our executives receive in incentives. We've set out our executive remuneration strategy to meet the market benchmarks 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. Variable remuneration is at risk, meaning it's subject to performance and other factors.

So before turning to the resolutions, I'd now like to invite questions on all of the remuneration items, being the Remuneration Report, the deferred rights and the performance rights for the Group Chief Executive. So, if you are in the room and you would like to ask a question and you are eligible to do so, could you please move to the microphone point nearest to you now. I have microphone number 1.

Moderator: Chair, I would like to introduce Rita Mazalevskis.

Rita Mazalevskis: (Shareholder) Good morning, Board.

Philip Chronican: Good morning.

Rita Mazalevskis: (Shareholder) I think it's timely, given earlier events today, that I just make mention that myself and several others in the room advocate for financial victims and we have a community across Australia where we participate in assisting them and it's a very important thing that needs to be done. I just want to acknowledge all financial victims that are listening online.

Now my question is not about climate, because it ties in with remuneration, so I'm hoping I've picked the right place, which I think I have. Market forces reported farmers across Australia have joined hundreds of shareholders on NAB and all the big four banks to end finance for companies expanding coal, oil and gas production. Just bear with me. NAB calls

itself the leading agribusiness bank. Now ESG data shows NAB's overall ESG score as 92 across the three pillars of environment, social and governance.

Now I just want to get clarity for something before I ask my question. The CEO, Andrew, in his opening speech, referred to social, economic and environment, are you meaning the same thing as ESG or is SEE a totally different thing?

Philip Chronican: I'm not sure that SEE is a thing, I think it was just a list of areas Andrew was looking at.

Rita Mazalevskis: (Shareholder) Just a similar reference? Okay. All right. So, under the environment, the total score is 92 and as you know, it has sub pillars, there's about five under there, ranging between 72 and 92, but specifically for the one item which is headed fossil fuel divestment policy, the score is a big fat zero, whereas the others are between 72 and 92.

This is concerning because these ESG scores ultimately filter back through performance and risk management framework and into remuneration of executives and managers, so I wanted to ask the question why the fossil fuel divestment policy is zero, because unfortunately the way it's structured, only the final score of the five pillars is used, which is 92, so it camouflages and doesn't give a true perspective of what's going into remuneration, which the public is generally not aware of, which I think there needs to be disclosure.

Philip Chronican: Thank you.

Rita Mazalevskis: (Shareholder) Sorry, I didn't mean to...

Philip Chronican: The question is better dealt with at Item 5, but I will very briefly just make mention that we have described to our major investors our policies, including our policy on scaling down fossil fuels. As you will see in the voting, we've received the overwhelming support of our shareholders in that one. Those issues don't formally go into Andrew's short-term remuneration, although it does form our strategy in terms of carbon emission reduction, clearly sits in the – it's certainly a driver of performance that will drive the long-term variable remuneration. So, it is reflected in there, but thank you for the question.

Rita Mazalevskis: (Shareholder) Yes, it's just concerning because the component that deals with green bonds has a very high score and that one doesn't, so it's a pretty significant gap.



Philip Chronican: Yes, thank you. Question from microphone number 2.

Moderator: Chair, I'd like to introduce Craig Caulfield.

Philip Chronican: Thank you.

Craig Caulfield: (Shareholder) Thank you, Chair. On rem, a former executive, Joseph Healy, has recommended the abolition of short-term variable rem, retaining long-term variable rem. I'm a supporter of this. I find that I think if you polled everyone in the room here and said do you all understand all the variables in rem, it would be pretty – it would be just about impossible for anyone to understand it and there's a lot of – there's dozens of pages that go into the Annual Report. So the first point is understanding it.

The second point is that parts of the short-term variable rem can be gamed, I'm not sure if that's the right word, but they don't seem to hold up strongly. So I would like the Board – I doubt this is something you're going to do, but I think it's a conversation that needs to be had, is to eliminate short-term variable rem. Not saying reduce the overall pay, that might mean an increase in fixed rem and it might mean an increase in long-term variable rem to do with reputation. Happy to do that. This is just a conversation about the breakup. Is that something that the Board can consider?

Philip Chronican: Well can I just make a comment about short-term variable rem over recent years and I can talk to this authoritatively having worked in the industry now for over 40 years. In my mid-career there was very little long-term rem and most of the variable rem was short term. Progressively over the last few years, less and less pay is in short-term rem and even what we call the short-term incentive, 40% of it is deferred over for a couple of years into equity. We reduced that component, that short-term component, last year; we reduced it even further when we brought in the new LTEA instrument.

So I think you'll find that if you go back, say over about 10 or 15 years, there's been a significant reduction in the amount of remuneration that is in that short-term incentive. So, while it hasn't been completely eliminated, it is significantly smaller than it would have been 10 or 15 years ago.

Craig Caulfield: (Shareholder) Yes, I agree with that and thank you for that explanation. That brings to mind for me, I think it's the regulators that are behind it, rather than the boards, let me know if you think otherwise, but the regulators have been advocating for changes here.

Philip Chronican: Well, the regulators have been advocating for more deferred compensation and they've also been advocating for the use of non-financial indicators in that and that's of course reflected in the new rem scheme that we introduced last year which met the new regulatory standard, CPS 511. So thank you.

Craig Caulfield: (Shareholder) So is there any consideration, Chair, that you can consider at a Board meeting eliminating STVR if the trend is going that way? It might be something that occurs in the future that can be brought forward to make it simpler for all the shareholders, even for the people earning the money to understand exactly where it's coming from.

Philip Chronican: We'll note your comment. We have no current plan in that regard, I have to say. Frankly, we're trying to let the current rem scheme bed down because we had so many changes between 2018 and 2023, we'd just like to have a year or two without changing the scheme.

Craig Caulfield: (Shareholder) Fair enough. I have another question, is that fine now?

Philip Chronican: Please.

Craig Caulfield: (Shareholder) Net promoter score I notice is negative 2. So net promoter score can change from negative 100 to positive 100 and negative 2, you're third among the four banks. So it's actually dropped back since last year, I understand. It's a very low rating. Now I look at your Institutional Bank on the same page, you've got a score of 44.

Philip Chronican: Yes.

Craig Caulfield: (Shareholder) A pretty good score across the board there, excellent on the Institutional side.

Philip Chronican: I would add that our Bank of New Zealand has a very strong positive score as well.

Craig Caulfield: (Shareholder) What's the Bank of New Zealand's score please?

Philip Chronican: Around that 40 number.

Craig Caulfield: (Shareholder) Okay, well that's fabulous.

Philip Chronican: When I referred to having a very good position there, it is a very, very good position. The other business we have with a very high NPS is our ubank, our online digital bank.

Craig Caulfield: (Shareholder) Okay, thank you. Well, the largest part of NAB's business is dealing with customers in Australia, not the institutions, et cetera and so negative 2 is disappointing, both on a comparative basis to your peers, but certainly on an absolute basis and I know that Andrew Irvine's very strong intention is to uplift customer service. How does that net promoter score feed into the rem and what other factors feed into the rem?

I always see this overweight position on the net promoter score and I think it's not attenuated by other factors that are published. There's always comments to say, Mr Caulfield, certainly there's a whole range of factors we look at, but I would like to see in the Annual Report a simple one page of metrics, for example, how many customer complaints, what's the duration of the complaints, how many go to a customer advocate, how many go to AFCA, how many hardship cases do we have, how long do they take?

There's a whole range of things here and the net promoter score is a very crude measure where one foot is in a pot of freezing ice cubes and the other foot is in a pot of burning coals and you're saying, on average we're right, it's tepid. It doesn't reflect those extremes, whereas a single page of metrics would bring up – would add a lot of fabric and texture to that conversation.

Philip Chronican: Thank you. You would be surprised at how close the question you've just asked is to the questions that we ask at the Board. So when we see net promoter score and I think I said in my address, one of the areas that we fell short of our target this year was in our net promoter score. But the Board and the Customer Committee that Ann Sherry chairs, even if we get a strong number, we interrogate further because as you say, a single number can hide a lot of detail.

So issues like hardship cases, issues like customer complaints, customer resolution, cases that go to AFCA, the outcome of AFCA review cases, these are exactly the data points that the Customer Committee reviews. As we've said in our meetings with Institutional shareholders, all of our measures that go into a scorecard and there is a desire to keep the scorecard simple, but all of the measures that we put in the scorecard we test for substance. Even if we were to get a very strong NPS number, we would still interrogate exactly along the lines you're suggesting, is it hiding anything we should be aware of.

We do the same with our financial outcomes. When we see a strong financial performance, we will interrogate it to say was it achieved in a sustainable way, has it been done through actually being better and getting more business or has there been some manufacturing of

that result coming out of it? So all of the areas that go into the scorecard, we test for substance, not just taking the numbers at face value, because we're acutely aware of the issue that you're raising, so thank you for making that point.

Craig Caulfield: (Shareholder) Thank you for those insights and that background, that helps, but would you publish a single page on these other metrics that obviously you're all alive to?

Philip Chronican: Well, we'll have a look at what we publish. There's a lot of data we do publish, but I'm sure there's more we can and we're completely open on that, Mr Caulfield.

Craig Caulfield: (Shareholder) Thank you very much.

Philip Chronican: So thank you. We'll certainly have that conversation.

Craig Caulfield: (Shareholder) I have a couple of other questions but I'll sit down and allow a rotation.

Philip Chronican: Thank you. Microphone number 1.

Moderator: Chair, I would like to introduce Howard Pascoe.

Howard Pascoe: (Shareholder) Through the Chair, if I was Chairman of the Remuneration Board, I put a challenge to you all – and Andrew, welcome to being our new CEO, congratulations for your appointment. My challenge to you all is simple: get your share price over \$50 a share. Why I say that is that at 7 May the National Bank share price was \$34.14. Now it's about \$36, and I can hardly read the share price in today's *Age*, but you have a look at Commonwealth Bank.

Now, the Commonwealth Bank at 7 May was \$119. In *The Age* today, I can't read it but it's either \$151 or \$161. So, if I was the Chairman of the Remuneration Board I'd be saying to you all this is the challenge, get your share price up over \$50. Commonwealth Bank, I suspect may hit \$200 in 12 months. I could be wrong but that's what I'm predicting and I'm saying to the Board why is your share price hardly moving, the same with ANZ and Westpac?

Something is happening with the Commonwealth Bank that they're doing things that we're not doing and I'm putting the challenge to you all, jump on the bandwagon what the Commonwealth Bank is doing and get your share price over \$50. That is my challenge to you all.

Philip Chronican: Thank you. The share price has actually performed quite strongly over the last couple of years. There's a point I think is worth making here, is market

capitalisation, which is the share price times the number of shares we have, the National Australia Bank, our market capitalisation at the time we appointed Ross McEwan was the fourth out of the four banks, and as at today we're second out of the big four banks.

So, the performance of the NAB share price over the last five years has been very good and shareholders should be very pleased with that, and I would be delighted personally to see a share price of \$50 and I'm sure Andrew would too, but we obviously need to do the right things to get there and that's the real challenge that Andrew faces. So, thank you.

Could I go to microphone number 2?

Moderator: Chair, I would like to introduce Christine Haydon.

Christine Haydon: (Shareholder) Good morning, Chair. Good morning, all.

Philip Chronican: Good morning, Christine.

Christine Hayden: (Shareholder) I'm a volunteer monitor for Australian Shareholders Association and we would like to talk about the Remuneration Report, which I think is about 40-odd pages in the Annual Report, and I think one of our previous questioners has suggested that no one in the room would actually completely understand it.

What we would like to request the Board consider is a simple take-home pay of the CEO over a period of five years, so that as a simple table which would then give shareholders a quick overview of the changes over a five-year period and see the quantum increases. It's fairly simple. Looking at your report this year, we found that the realised – it was called realised remuneration, on page 141, which we believe is actual remuneration but it's really hard to actually find it. So, can we please try and simplify it from that perspective?

Philip Chronican: All right. Thank you. Thank you for the question. You said that you thought hardly anyone in the room understood the Rem Report. I am hoping that Kathryn Fagg is the exception to that rule as Chair of our Remuneration Committee, because Kathryn I know spends a lot of time on it, as Anne Loveridge did previously.

Just for those in the room who may not understand the full nature of the question, when we talk realised remuneration, that's allowing for the fact that when we offer our executives deferred compensation, deferred shares, the amount they get for it obviously depends on whether or not they actually get the shares to vest, and some of them are performance tested, and then what the shares are worth at the time that they do vest.

So, the amount we put in as an estimate when we grant the shares can be different from what the executive actually gets. Some cases they don't get those shares to vest because

they don't meet the hurdles. In other cases, they get more than the value we estimated because the share price has gone up, and that's the point, I think, Christine, that you're raising, which is it's useful to see what the executives actually get and that realised remuneration is there for that purpose. So, thank you for your suggestion and I'm sure Kathryn's made a note of that and the Rem Committee can have a look at that. Thank you.

Christine Haydon: (Shareholder) Thank you, Chair.

Philip Chronican: Microphone number 1.

Moderator: Chair, I would like to introduce Arthur Miller.

Arthur Miller: (Shareholder) My question is why we have a Remuneration Committee which is appointed by the Board themselves. It's like politicians vote for increasing their pay, as simple as that, and we should abolish the Remuneration Committee and a long-term and short-term performance. I worked for several companies and at 88 years of age I retire. I worked for several companies but they had a fixed rate I get for my income and renew every year.

Yourselves here make a short or long service performance. I don't agree with that, because [unclear] a majority of employees from management and the Bank probably get the same thing there, a fixed rate, or fixed income and that's what it should be. Why should the long incentive, [some] is manipulated in such a way to get increase their pay because they say their performance case. We have a cases [unclear] company, I invest in 23 companies, okay. Companies like one example, I'll point to one to tell you is Telstra. They borrow money to pay their dividends to the shareholders because they didn't have enough income so they manipulated that to do those things.

There are a lot of things hidden in a Board in general and controlled by the Chairman which they hide it in behind or under the carpet. My question is that you should abolish that, and every year you appoint somebody to be a CEO, you will find out how good it is and they increase their pay gradually for the next year, not give a short or long-term incentive and I believe it's absurd. The majority of people, companies, work in companies, they received a fixed remuneration. Why you have that?

But the public companies here in Australia, normally they do that because all the banks all [generally] create a long and short incentive. We have a lot of CEOs where it's disgraceful and they get a good payout when they left here. Look, for example, Qantas, which is their Alan Joyce. He left a good [money] even though it creates a lot of profit the company here

but [unclear] good incentive because the contract they signed with them. We don't know the contract yet at all.

The other thing I'll be critical is the pace that [unclear] didn't answer that question, why we have one Director to be appointed for the Board and they put one person. Why don't you put two? In Australia we have two parties, we have a Liberal and we have Labor, so in this case we should have at least two candidates for the Board.

I noticed the other thing is they recycle, they work in the banks, they go from one bank to the other because they have experience in the other bank and they go like that. They spend all their lives there, when it's not CEO they become Independent Directors. That's what I notice in general. So, could you look at that, to abolish that? We don't need Remuneration Committee. Why?

So, can you have a contract with a CEO, in 12 months review how good it is, and then you put the shareholders to vote that. You don't. You simply make a contract in advance there for so many years, and the guy who stays here gets a good pay even though he doesn't perform. That's my point of view.

Philip Chronican: Thank you. I'll just make the point that there are lot of views about executive remuneration and a lot of investors have very different views. Indeed, among our large shareholders there are some who have the view that variable pay should all be in equity and deferred. There are others who like to see much more testing of performance and see financial indicators.

Then we have a regulator that has now put in place a remuneration standard that actually requires us to have deferred variable remuneration. So, we have to bring together all of the needs of our different shareholder views and our regulator views and it's the Remuneration Committee that designs the rem scheme that meets those requirements and that's where we are today. Thank you.

Can we go to microphone number 2, please?

Moderator: Chair, I would like to reintroduce Craig Caulfield.

Craig Caulfield: (Shareholder) Thank you, Chair. Let me first say thank you for those comments because obviously there's a lot of stakeholders that feed into rem. It's not something that you can simply simplify very quickly. At the same time, there's a lot of feedback of people not understanding it or not agreeing with it so any way that it can be simplified, albeit with all the constraints you have behind you, is a good idea, and



accepting that you've already done some simplification. So, I think for Kathryn Fagg, you've got a very difficult task to oversee with lots of input there.

Okay. In terms of rem and how it feeds into the CEO's pay, I would like to put a positive and a negative story and see how they relate. On the positive side, National Australia Bank was the first of the major banks to publish the APRA report back around 2019 or 2020.

Philip Chronican: It was at the end of 2018, actually.

Craig Caulfield: (Shareholder) 2018, yes. So, three of the four major banks have published it, ANZ being the exception that hasn't. I realise you don't talk of other banks but it is relevant across the industry that ANZ is in more trouble at the moment and they're the one bank that concealed the issues. NAB – CBA was compelled to publish theirs so it wasn't a choice. Perhaps they would have chosen to, perhaps they wouldn't have, who knows, but it was published.

NAB was the first to actually say here's our report in full. Even back then I thought that was fabulous transparency. In my mind, as a result of that transparency and embarrassment and difficult issues, you've faced into those and as a result of facing into those we see a much better share price now, much better on a whole range of metrics. How does having APRA set aside now – they're satisfied, the capital penalty's gone – how does that feed into the rem for the CEO?

And if I can add the other side too, and you can address both at the same time, on the negative side we've got ASIC that has reported that NAB has failed 345 people that applied for hardship. AFCA has also said the large banks are not doing enough with hardship. Now, I know that you can say – and it's true – that you're dealing with more hardship and you're doing a better job.

[Interruption]

Philip Chronican: Craig, maybe – could you just finish your question, please?

Craig Caulfield: (Shareholder) Yes. So, ASIC has a negative side there, that you haven't supported people in hardship. How does that feed into the variable rem alongside the positive side of APRA?

Philip Chronican: So, let me – I will deal with that question, so thank you, Craig. All these issues do go into because all risk issues get fed into remuneration. Each executive is marked on their risk performance. There was the review done of hardship treatment earlier in the year and it identified that there were some weaknesses in the treatment of hardship

cases and we've made changes. As I said in my opening address, we don't always get it right but we do seek to actively fix things when we identify that they're not being done properly. So, we've made changes in the hardship area. That did flow into a consideration for the review of remuneration this year.

The action relating to the 345 cases where we incorrectly and wrongfully rejected came after the end of the year so we'll be taking that into account in the future year, but we acknowledge that we fell short of our own standards in that regard and we'll be working with ASIC to resolve it.

But as you say, the outcome of the 2018 self-assessment that we published did force us to look into our areas of weakness and it did result in a plan which we agreed with APRA, and as I noted in my report – my speech, rather, APRA released us from that capital overlay that they had. I agree with you, I think the transparency that we put on ourselves and holding that mirror up to ourselves has helped make NAB a better Bank over the last five years. Thank you.

Craig Caulfield: (Shareholder) Thank you.

Philip Chronican: Can I go to microphone number 1, please?

Moderator: Chair, I would like to introduce Spiro Akusas.

Spiro Arkouzis: (Shareholder) Thank you, Mr Chairman. I would like to address a couple of points. Firstly, Mr Miller, his concern regarding Qantas and Alan Joyce. I think that there were systemic problems and I don't think that that will be duplicated on the Board of NAB. Part of that was Richard Goyder not keeping Alan Joyce in check and getting him out of control.

I think that for all banks, for all companies in Australia, our chairmen have got to do their job and make sure that their CEO is performing, and likewise the Board questioning the CEO and the Chairman. With that said, part of my personal goal is to make Qantas great again, I'm doing whatever I can to help with the CEO Vanessa Hudson and the Chairman John Mullen.

With that said, we are seeing Qantas's improvement. As I'm sharing this point, Mr Pascoe brought up about how CBA's shares are \$160.94 currently. Now, we've also got to take into consideration that Commonwealth Bank of Australia are a much larger, substantial bank, I if can say that respectfully, than NAB.

Part of this process for all of us, and the Board to listen closely, that customer service is vital. Equally as customer service, treating your customers with respect and dignity is your staff. Your staff and your customers are equal. When you have that combination right together, your shareholders will appreciate it because there will be revenue coming into your Bank, deposits going into the Bank, and the customers introducing new customers to your branches.

So, your customers and your staff are vital. That's when you will see the upkeep and the uplift of your shares from \$35, \$36 to go beyond \$50. If I could reiterate that customer service and caring for your staff will be your greatest panacea for seeing your uplift in the shares. Thank you, Mr Chairman.

Philip Chronican: Thank you. I could see Andrew Irvine applauding you. I think that's pretty much the cornerstone of Andrew's strategy for the Bank going forward, which is (1) recognising the contribution of both colleagues and customers, and (2) recognising that outstanding customer service is key to long-term financial success. So, I think we're in strong agreement on that.

Another question at microphone number 1.

Moderator: Chair, I would like to reintroduce Peter Starr.

Peter Starr: (Shareholder) Thank you, Phil. For the benefit of the other shareholders in the room, mum and dads who don't cover stocks and shares, I've covered them for the last 20 years as a private equity adviser. Let me say this, that the NAB share price when Ross McEwan came in and we had to raise the capital at \$14, anybody who took up those options, you're well advised that you're doing well. Our share price has hovered over the \$40, come back a little bit. It's heading very well in the right direction where it should be heading and thank god for that.

I just have a quick question and this wasn't so much addressed by you or by Ann Sherry and the other people who are on this committee, but when ASIC takes us to court, Phil, which they're doing, over the 345 customers, I've got the Chair Joe Longo's thing that was released this morning on my phone here. The sad part about this is that we'll spend money, Andrew. We will spend money defending this; this is money that ultimately doesn't come back to the mum and dad shareholders here in the way of a dividend.

How did this get missed? This is back from 2018, so back before we got Ross McEwan, back to – and you've been around a long time, Phil, and you've done an exceptional job, there's no issue about that. But how does these executives, Andrew, and this is probably

better maybe answered by you, is how do they miss these things for ASIC to take 345 of our customers who were in hardship – and there may be people in the room here who are in hardship – and you missed them.

Philip Chronican: Let me just say, Peter, we really regret that this happened to these 345 customers. This was completely inadvertent, it was an operational mistake, and the only consolation I can offer is that I think over that time there were over 100,000 applications that we did deal with, but 345 that we failed to deal with, and we've acknowledged that and we've said sorry.

Peter Starr: (Shareholder) I appreciate that you put your hand up, you don't put your head in the sand, Phil, and that's to your credit, and that's great. Yes, Andrew, I got – you've come into the job, I got your email, yes. Customer service. I hope that email that I got that you sent it to your executive team, and your branch managers, and your people in customer advocacy, because I note today that the head of customer advocacy isn't here. Why, please?

Philip Chronican: Sorry. I'm not...

Peter Starr: (Shareholder) Sorry, Phil, it's probably better addressed to Andrew. Andrew, if I could ask through the Chair, why isn't the Group Customer Advocate for NAB here at the meeting? At Westpac, Adrian Ahern was there, Commonwealth Bank, they were there.

Philip Chronican: Thank you. I think you'll find there's plenty of senior executives who can handle any issues but I'm sorry if the advocate herself is not here.

Andrew Irvine: We have here in the room all of my leadership team, all the leaders who run the different business units. We also have a number of colleagues from our NAB Assist and complaints department as well, so I'm confident that we have everyone here who can listen to the voice of the customer and the voice of shareholders, and if there's a customer in the room who has a question or a grievance, I'll personally make myself available after this meeting to have a conversation.

Peter Starr: (Shareholder) Thank you, Andrew. I'll speak to you, yes.

Philip Chronican: Thanks, Peter. All right. Do we have another question from microphone 1?

Moderator: We do, Chair. I would like to reintroduce Robert Caterson.

Robert Caterson: (Shareholder) Mr Chair, I'll just keep my points fairly simple. Now, I'm a mum and dad shareholder as well. Remuneration is the dividend you pay me. Now, people

are talking about a lot of mumbo jumbo science with the Remuneration Report and you've explained certain matters regarding regulators and industry standards and that. I get down to a simple thing. I went to – I was once an employee of Telstra, and Richard Alston was the Minister and I forget who the CEO was, and the CEO at the time said all you do, Minister, is go to the back page and see how much you pay us. Right? That's a dividend.

Now, when it comes to the dividend, and one of our other colleagues in the room said about the share price, well, this was once a \$50 company and this was once the largest bank in Australia, 20-odd years ago. We should be aiming towards that, and I'm quite happy to vote yes for any Remuneration Report that handsomely rewards the Board and senior executives but it has to come with the condition that you keep on increasing the dividends, not by share buyback schemes; it doesn't benefit me because I want to keep all my shares. I don't want to sell them back to the Bank because then I get less dividends. I really want to have opportunity to grow my dividends but the way you're doing it by share buyback in my understanding is not working as far as I'm concerned.

Philip Chronican: Thank you. I just want to make a small point about share buybacks. In the long run, share buybacks do help because it's fewer and fewer shares that we need to support on the dividend and for many years at NAB we have the opposite issue in play, which is that the Bank kept on issuing new shares and diluted the existing shareholders. So, while you may not feel you directly benefit from a buyback, the one way in which it is protecting you is it's stopping you being diluted the way that was happening previously when shares were being issued and therefore you were getting a smaller and smaller share of the Company without realising it.

Robert Caterson: (Shareholder) But equally so, you do have a lot of franking credits I do believe.

Philip Chronican: Yes. We do and...

Robert Caterson: (Shareholder) The only way that you release those franking credits is to pay better dividends.

Philip Chronican: Correct. Yes, and we are very focused on trying to increase that dividend but as I said, I'd like to do it – in my speech I made the point about it being increased in a sustainable way and that was a reference to when we've done it in an unsustainable way by paying out too much of the profit and dividend and not retaining enough. We ended up issuing new shares and that diluted our shareholders and we're trying to stop that. So, thank you.

Robert Caterson: (Shareholder) Thank you.

Philip Chronican: Now, are there any questions online relating to remuneration, Virginia?

Virginia Porter: Chair, we have a question from Mr Vatsal Tayal. First question. With regards to remuneration, how much of it is in line with the other Australian banks? How is that benchmarking undertaken? Was an independent firm hired?

Second question. How much is the remuneration linked to customer safety and outcomes in an environment where HSBC has recently been fined for not responding to scams reasonably? An example of this could include a number of frauds and scams attributed to internal factors as compared to external factors.

Third question. Is the remuneration of the Group executives positively influenced by their ability to increase a robust see it, say it culture? If yes, what is that KPI and how is it measured?

Question 4. How is it ensured that the remuneration of the Group executives is linked to upskilling employees and how have employees grown internally?

Fifth question. While the share price capitalisation is a great indicator, what are the new factors which have gone in to ensure that the Group executives are not only motivated but is tied to the remuneration of employees?

Philip Chronican: Okay. Thank you, Virginia. There's quite a lot there. Let me just take it from the top. The remuneration is very much in line with the other Australian banks and some would say it's so close that there's very little variance among the Australian banks. We didn't need to do external benchmarking for that because each of the other Australian banks publishes this and therefore our own people on the People and Culture Team are able to make that assessment themselves.

We do take into account customer safety and our performance. Frauds and scams have been a massive issue for us. We've paid a lot of attention to that and we've implemented a range of control measures to try and reduce the harm on customers, so it is something that goes into our overall risk assessment and risk is an important part of the scorecard for our executives, so it's very much taken into account.

Another part of our scorecard is our colleague engagement which we measure through the internal surveys and that's very much about a speak up culture. I know the cultural programs driven by Ross and continued under Andrew have been very much about people

feeling safe to speak up and taking ownership of issues and following up on those. These are important parts of the cultural norms in our organisation.

The – I'm sorry, just waiting for the fourth part of that question to show up on my screen here. The links to upskilling and development, certainly we've put a lot of effort into training and development over recent years. Again, an important part of the cultural development has been developing our professional banking qualifications. We also build up our capabilities in areas where they're needed including some of the new technologies including in climate and emissions and understanding. So, very much that and you will have seen in the recent changes of the leadership it's been internally driven, so we've been developing internal talent.

Lastly, other factors that go into motivation. I think, as I tried to answer earlier on, the Board takes a substantive view of what's happening and we're not just driven by scorecards. We look at the health of the Company and we take that important consideration when we finally settle on the outcomes. I'm hoping I can reassure you that we are very focused on the issues that are being raised there, so thank you. Virginia, do you have any more questions?

Virginia Porter: There are no further questions on this item, Chair.

Philip Chronican: Thank you. I think we might have another question at microphone number 2.

Moderator: Chair, I would like to introduce [Kirinjoat Bhalla.

Philip Chronican: Thank you.

Kirinjoat Bhalla: (Shareholder) Morning, Philip and...

Philip Chronican: Good morning.

Kirinjoat Bhalla: (Shareholder) ...good morning to the Board as well. Just a technical question if I can. Currently NAB is doing an on-market share buy-back.

Philip Chronican: Yes.

Kirinjoat Bhalla: (Shareholder) Wouldn't it be more effective to achieving a larger share buy-back to have it as an off-market share buy-back and that in effect would also utilise a lot of the franking credits that we currently have within the Bank.

Philip Chronican: I'm afraid that that window is no longer open to us. Nathan Goonan, our Chief Financial Officer, I think can answer the question there.



Nathan Goonan: Yes. I think one of the major benefits of having the on-market share buy-back is it does give us the flexibility to be able to operate the buy-back, start the buy-back and then pause it if we need to and recommence. The major Australian banks have gone away from the market practice of the market share buy-backs and so we've been conducting them on-market. It's been going very well for from this and we would continue that way.

Kirinjoat Bhalla: (Shareholder) Okay. With the current – a further question – with ASIC stating that the hybrids will eventually be withdrawn from the market, what are the plans for the Bank to monetise the franking credits that they're currently holding.

Philip Chronican: The changes which are proposed by APRA, the Prudential Regulation Authority, would no longer allow for new issuance of the alternative Tier 1 instruments which in the past have carried franking credits. That will leave us in a situation where franking credits really can only usefully be used in franking of dividends the way they were originally intended to be and therefore we will seek to grow our profitability so that we can pay more dividend. Thank you.

Kirinjoat Bhalla: (Shareholder) Thank you.

Philip Chronican: Another question on microphone number 1.

Moderator: Chair, I'd like to reintroduce Arthur Miller.

Philip Chronican: Okay, thank you.

Arthur Miller: (Shareholder) I would like to ask a question on performance rights. What the performance rights means is it means the Bank buys shares and gives to their CEO or their Chief Executive Officer. I tried to get the reason for it.

Philip Chronican: So, there are two parts to what's being offered. There's the long-term variable award and then there's an equity allocation of rights. The form of rights is really just a legal construct to allow us to issue the shares at a future date and the two components to Andrew's reward are those that are deferred and those that are hurdled. Some of them, it will depend on how our share price performs as to whether or not he even accesses them. Others he will get the shares but the value of them will depend on the shares price. They're the two components.

Arthur Miller: (Shareholder) My question is that if I went to buy shares for National Australia Bank, I go there and buy in the market, but I believe the Bank buys shares with their own money and give it to their Chief Executive Officer. Is that right or not?

Philip Chronican: I'm sorry, I didn't understand the question.

Arthur Miller: (Shareholder) Okay. If I buy shares in the market I pay for it.

Philip Chronican: Yes.

Arthur Miller: (Shareholder) If the Executive gets the rights to get shares, are the Bank buying shares and giving it free to Chief Executive Officer for long term or long-term performance. Is that why this? I don't know, I ask the question.

Philip Chronican: Yes, so the grants of shares are a form of remuneration and they are deferred, so he doesn't get access to them until the certain dates are passed. It's the deferred remuneration that we're required to have and that's been accepted by – not accepted – it's been required by our regulators and it's encouraged by our major shareholders that we remunerate in that way, not all in cash. Thank you.

Arthur Miller: (Shareholder) Yes, but they still – the [question] I don't understand what you mean. Are you buying shares for the money, the Bank's money and give it free to the Chief Executive Officer? That's why I ask the question.

Philip Chronican: Yes.

Arthur Miller: (Shareholder) Because there is one banker, left here, went back to England, come back here and the Bank give him 2.5 million shares free as part of the agreement they have with their Chief Executive Officer.

Philip Chronican: Yes, so what we do...

Arthur Miller: (Shareholder) You do that, so that's disgraceful.

Philip Chronican: What we do is we tell you the total value of the remuneration package for the Chief Executive and that will include an amount of shares that we will buy and grant to the Chief Executive and its fully disclosed as part of that remuneration.

Arthur Miller: (Shareholder) Beyond that, are you getting [unclear] from the dividends for years and years which he didn't pay for the shares. That's my question.

Philip Chronican: Yes, so the...

Arthur Miller: (Shareholder) The problem on it is the Board is like a politician and the House of Representatives, they do the same thing. The money [unclear] which the shareholders in general they don't know. I've been having – [I like Stephen Mayne, he's] very good, [unclear] on that and there was another one who died a few years ago, Jack Tilburn, he was very good too. He wrote a book [and probably all know] about him and

they are [activists] to protect their shareholders in general because most of the shareholders don't ask any questions. They let it go.

Everything happened there like the Committee and the Board in general do the things which we don't know. So, the other thing I'll say, they always use their – when they vote for any member [unclear] the Board, they only say if you pay peanuts, you get the monkeys, but the problem [is having] monkeys all the time. That's [unclear]. Tomorrow I'll be here with the National Australia Bank.

Philip Chronican: Thank you. You brought up the name Jack Tilburn and I'm sure a number of us in the room fondly remember Jack's contribution and I think I got an autographed copy of his book somewhere at home. Thank you for those comments. In the absence of any further questions, shareholders, I'm now going to formally put to you Items of Business numbers 2, 3A and 3B as set out in the Notice of Meeting. Could you please record your vote on these items now if you've not already voted.

I will now turn to the next Item of Business which is Item 4 which is the consideration of the Financial Report, the Director's Report and the Auditor's Report. The *Corporations Act* requires the Directors to put the Financial Report, the Director's Report and the Auditor's Report for the last financial year before shareholders. If you're in the room and you want to ask a question and are eligible to, would you please move to the microphone point nearest to you now. Are there any questions at the microphone? I can see action at one of the microphones. Yes, we are. Microphone number 2.

Moderator: Chair, I would like to introduce Heather Slater.

Philip Chronican: Thank you.

Heather Slater: (Shareholder) I've often wondered with all the scamming that's going on and so many of the banks reimburse people who have been scammed, that must run into the millions to my way of thinking. In the Financial Report, is that money that you've reimbursed people, is that noted somewhere in the Financial Report and if so where please and I'd like the figures?

Philip Chronican: I'll be asking our Chief Financial Officer to comment on it. Losses due to fraud, scams, do run into the millions. It's not all of the current round of scams. Obviously, there's been fraud years ago, cheque fraud more than credit card fraud and then more recently payments fraud. There is – certainly it is a significant cost to our business. We've done a very good job I have to say of reducing the losses over recent years, but Nathan, could you just comment on where it might show up in the financials.

Nathan Goonan: Yes. Thank you for the question. We do include it as an operating expense of the Company, so within note 5 of the Annual Financial Report it would be included in one of the other expenses.

Heather Slater: (Shareholder) What's the heading?

Nathan Goonan: Well, the heading of the – it would be in other.

Heather Slater: (Shareholder) Oh.

Nathan Goonan: Unfortunately...

Philip Chronican: Unfortunately.

Nathan Goonan: ...it's been included in...

Philip Chronican: It's not very helpful.

Nathan Goonan: ...that line item.

Heather Slater: (Shareholder) Well, my...

Philip Chronican: I just want to clarify, have we ever done a disclosure in one of our Investor Presentation packs on the fraud and scam losses?

Nathan Goonan: Not that I'm aware of.

Philip Chronican: Not aware of. Okay.

Nathan Goonan: No, I think we would [unclear].

Philip Chronican: Thank you for your question. It's something that we might take on board and have a look at.

Heather Slater: (Shareholder) Yes, because I for one would be very interested to note what the cost is to us, the shareholders and just general customers, because if as you say it's in the millions...

Philip Chronican: Oh yes.

Heather Slater: (Shareholder) ...does that...

Philip Chronican: Tens, I would confidently guess it's in the 10s of millions for losses.

Heather Slater: (Shareholder) Yes, so therefore wouldn't it impact on eventually...

Philip Chronican: Yes, of course.

Heather Slater: (Shareholder) ...the dividends and et cetera, et cetera.

Nathan Goonan: Yes.

Philip Chronican: Yes, of course.

Heather Slater: (Shareholder) How much money are you having to spend now on those scams in particular because that is the really big issue these days, isn't it?

Philip Chronican: I haven't got the number right in front of me and we haven't previously disclosed it, so we would need to take that on notice.

Heather Slater: (Shareholder) Okay, thank you very much.

Philip Chronican: Thank you. Microphone number 1.

Moderator: Chair, I'd like to introduce Robert Caterson.

Philip Chronican: Thank you.

Robert Caterson: (Shareholder) Thank you, again, Chair. One comment that I'd like to make is I thank you very much for your continuing commitment to the AFL Women's competition and to the Auskick competitions, relative to very good ethics when it comes to sponsorship of sport, like the Commonwealth Bank, but I can't mention the ethics of another bank that I attended their Annual General Meeting last week, sponsoring rugby league. But I thank you very much.

But also, getting onto that, I'd like to know how much money – because we're talking about financial hardship and a lot of things that maybe the Bank has overlooked – how much money are we actually helping with victims of domestic violence and financial abuse?

Philip Chronican: Again, I don't think we've disclosed the detail of how much that's cost us, and I'm – you'll appreciate I can't randomly disclose numbers. But we do have a process, and we have available for victims of family abuse or family violence, we have a grant program available, so people who find themselves in urgent need of money are able to come to us for amounts of around \$2,500.

We have training for our frontline colleagues in dealing with people in financial abuse – or in physical abuse situations. We have a partnership with the Good Shepherd organisation, who help us execute in this area, and we provide no-interest loans to people who find themselves in difficult positions there. I think we've dealt with something around – it's typically around about 800 cases a year we would deal with, where we're able to provide some support.

It is a horrible situation and unfortunately one that's been growing. Then, the other issue that we've had to deal into is obviously there's some related financial abuse. Often, there's a situation where there's abuse of a joint account, and we're needing to intervene there. On top of that, we've also done some work on the social and affordable housing area, where one of the indirect benefits is the – increasing the number of housing units available for people who are fleeing domestic violence.

Robert Caterson: (Shareholder) My second part is, one of our other colleagues in the room talked about those victims that have been overlooked. Are we going to go from a culture of willing to be resolving of problems before they become worse problems, and before we start throwing money into lawyers' pockets to defend our position, where maybe our position is not defensible?

Philip Chronican: Yes. I think one of the things that you'll find with this Board is we do not throw money at defending indefensible positions. If we've done something wrong, we'll face into that fact. No doubt, in the case of the issue with hardship, there will be some legal proceedings we have to go through. That's the way these things go. But we're not going to argue the facts of the matter. We acknowledge that we did not look after those 345 hardship cases, and we won't be arguing that.

Robert Caterson: (Shareholder) Okay. Thank you very much.

Philip Chronican: Do we have another question at microphone number 1?

Moderator: Chair, I'd like to introduce Spiro Arkouzis.

Philip Chronican: Thank you.

Spiro Arkouzis: (Shareholder) Thank you, Mr Chairman. I'll be brief. I'd like to say thank you to you all and the preparation of the Annual Report, Financial Report, Director's Report and Auditor's Report, well done across the board. It has been excellent, and I encourage any of the shareholders from Institution and Retail, if you have any questions, please send an email through to the Board if there's something that you don't understand.

I think that, yes, there can be some areas that are difficult to get your head around. But please, don't feel shy. Send an email and ask the question. We are – as NAB, we are a people business, and part of that business is lending. We are not perfect. If we're looking for perfection, I don't think we'll find it with any business. The idea is to be consistent and to continually strive to do the best that we can, and that's what we're doing.

Part of what I'd like to share is, you may have heard of Berkshire Hathaway. Warren Buffett and Charles Thomas Munger, they have subscribed from very early in the '60s that integrity is everything. That is your currency. If there has been a problem, those problems are rectified immediately if not sooner.

I also encourage the Board of NAB, if there's any outstanding issues with customers, please fix them immediately, because our customers are our greatest marketing and our greatest source of inspiration to bring more customers to our banks. If there's any outstanding issues – I can see that there's a few people that are here who may have issues – please, Board, fix them and then let's get on with it so we put those issues to bed. Thank you. Thank you, Chairman.

Philip Chronican: Thank you. I will now take questions – I'm sorry, there's another question at microphone number one?

Moderator: Chair, I'd like to introduce Rita Mazalevskis.

Philip Chronican: Thank you.

Rita Mazalevskis: (Shareholder) Thank you. Hello. Just before I give my question, just a couple of housekeeping observations. I think that, at the beginning of the meeting, from what Ms Thomson said, there's been a dangerous precedent set by saying, obviously, every year, there's a limit of two questions, but now putting a two-minute limit.

I was approached before the AGM asking why I don't raise all these issues during the year with the Board because I have access to them. I absolutely do not. None of us do. Then we're expected to come as shareholders and owners of the business once a year and speak in two minutes. I think that that's very unreasonable. If you were prepared to change your practice and give us time during the year, we wouldn't have to do this. I just want that noted for the file.

Philip Chronican: Thank you.

Rita Mazalevskis: (Shareholder) In regards to – just touching again on the news about NAB's failed 344 (sic) of its customers at their most vulnerable when they applied for hardship support from the Bank, and according to documents filed by ASIC in the Federal Court – the Chair of ASIC, Joe Longo, said, we allege NAB unlawfully failed to respond to their customers' appeal for help when they needed them most.

These customers included domestic violence victims and those battling serious medical conditions, and that NAB's failures likely compounded the already challenging situation for



these people. It's also true that there are other issues, which more than likely haven't come out in legal matters yet, and there will be various, and hopefully not too many. But I think you referred to earlier as when you apologised as it being an operational mistake. Was that correct?

Philip Chronican: Correct.

Rita Mazalevskis: (Shareholder) Okay. I just want to raise, I know in a couple of circumstances that the Bank has ignored new information and evidence which has never been part of a matter before and they're not prepared to look at it and just absorb it into a preexisting matter. Which can't be done, because it's never been – there's never been a complaint or any kind of court action or anything. Then denied someone that new evidence being investigated or looked at.

It gives the appearance that the Bank continues its profits over people. Given the hardship issues. Given that you don't address new evidence, and that long-standing cases are made to hang around year after year after year when they could have been settled ages ago.

I have written to Ms Sherry, and she did approach me at the last AGM, because we have a long-standing request for a meeting, which she acknowledged and asked me last year to organise, which we haven't done, but I had personal circumstances that prevented me from doing that. I have emailed, and I haven't had acknowledgement she's received that email, so I just wanted to ask Ms Sherry if she'd be prepared to meet with me straight after the AGM, given I'm here from Perth.

Philip Chronican: Ann's nodding, so I presume that she's happy to. I know she's seen emails. Thank you.

Rita Mazalevskis: (Shareholder) Was that a yes?

Philip Chronican: That was a yes.

Rita Mazalevskis: (Shareholder) Thank you. Can I just say, in regards to the customer advocate...

Philip Chronican: Yes.

Rita Mazalevskis: (Shareholder) I know you've offered up all the staff to talk to anyone that has an issue, but the purpose of the customer advocate is they're independent to the business. So, a lot of people might not feel comfortable if they're aggrieved with the Bank. It is a very big issue that the customer advocate isn't here.

Andrew Irvine: I can actually – I can talk to that. Can you hear me?

Rita Mazalevskis: (Shareholder) Yes.

Philip Chronican: Yes.

Andrew Irvine: She actually unfortunately has influenza. She would otherwise have been here.

Rita Mazalevskis: (Shareholder) Does she have a back-up?

[Unidentified Female]: She's the customer advocate.

Andrew Irvine: No. She is the customer advocate.

Rita Mazalevskis: (Shareholder) There's just one?

Andrew Irvine: Yes.

Rita Mazalevskis: (Shareholder) Maybe the Bank should look – due to circumstances beyond their control, that they should always have someone, for a customer – given you've put a new Customer Committee in place. That could be an initiative. To have two at any given time. To be able to cover 24/7 in case someone is sick or something happens which is unavoidable.

Philip Chronican: Thank you for that...

Rita Mazalevskis: (Shareholder) Thank you.

Philip Chronican: ...suggestion. Thank you, Rita. Microphone number 2.

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

Philip Chronican: Michael?

Michael Sanderson: (Shareholder) Howdy, Board. I've been a very good little Vegemite and sat down and not butted in. I've got two questions that relate to reports. I've got another four for general questions [unclear] record. The first question is about scams. Scams were mentioned 59 times in the Annual Report. However, nowhere can I find a differentiation between digital scams and non-digital scams.

Can the Board advise shareholders and customers what percentage of scams are digital and what percentage are non-digital? How many NAB customers have been scammed in a face-to-face transaction in a branch? Would NAB agree that the push to digitise poses not only a risk to customers and shareholders but is also a risk to national security?

Philip Chronican: Thank you. Most of the growth in scams and fraud recently have been digital, so that would be a fair observation. That's not to say there aren't scams that are

executed in branch. There are quite a few. Of course, one of the areas of fraud we used to have, which was sadly all too common, was cheque fraud. That obviously has been in decline since the use of cheques has fallen away. We haven't drawn that distinction, but what I can tell you is that we dealt with around 21,600 scam incidences last year. Just to give you a scale of the issue.

Michael Sanderson: (Shareholder) Okay. The other one relates to ATMs. There was only one mention of ATM in the Annual Report. NAB has reduced, I believe, ATMs by about 6%, equivalent of 44 ATMs during the last financial year. The overall number of ATMs in Australia have decreased by about 55% over the past five years. That's all banks, not just yours.

Philip Chronican: Yes.

Michael Sanderson: (Shareholder) Is it NAB's intention to get rid of all ATMs? I'm talking medium, long term here. Is it NAB's and the banking industry's strategy to force consumers to go fully digital by reducing ATMs and branches?

Philip Chronican: No. I think our customers have led the decline in cash pretty much on their own. Two things happened over the last five or six years. One is that, you may recall, back in about 2018, the banks all dropped the arrangements where fees were charged for using other bank ATMs, so that now you can use any of the major banks' ATMs for free, no matter who you bank with. What that means is that it's become less important to have our ATM in any particular location if other banks have ATMs there.

The second issue is that, particularly driven by COVID, a lot of customers moved away from using cash and moved to digital. The combined effect of those things mean that cash withdrawals from ATMs have fallen by about 40% over the last four years. We keep an eye on where our ATMs are being used. Make sure that they're there.

We certainly have no intention of getting rid of them, and all of the new branches that we've refitted – and we have I think done a stunning job of refurbishing our branch network over the last four or five years, and they all have usually a couple of ATMs per one. We've been reinvesting in the ATM network pretty solidly as well. But you'll see a decline in a lot of the off-site ATMs because they're not getting as much use.

Michael Sanderson: (Shareholder) You'd have to agree that there is a bit of a black spot in regional areas in relation to the availability of cash. A lot of the banks say, you can get cash at the Post Office. But in reality, it doesn't meet the requirements of small business. The other reality is too, there's a bit of a financial squeeze on LPOs, where they claim that

they're virtually subsidising the services that banks have withdrawn from regional communities.

Philip Chronican: I think you'll find we're paying the Post Offices for those transactions.

Michael Sanderson: (Shareholder) Okay. I've got another four things, but I'll leave that for general. Thank you.

Philip Chronican: Thank you. Any further questions? Microphone number 1.

Moderator 1: Chair, I would like to introduce Peter Starr.

Philip Chronican: Thank you.

Peter Starr: (Shareholder) Thanks, Philip. Just like to acknowledge Anne Loveridge's contribution. I got a couple of text messages, Anne, from some of my clients, so it was my fault that I didn't – when I was mentioning Doug. I thought it was very good to hear about those – what you thought the best and the worst things.

Especially, given that – what went on in the former CEO's office, and both those people are doing now 10 years and seven and a half years respectively. But that nonsense that was allowed – and Phil knows I was highly critical of it the last two AGMs and waiting for the outcome of the court cases. Because that affected shareholders and dividends as well. To Phil's credit, he put his hand up, as Chair of the Board, and takes responsibility.

On behalf of the shareholders I represent, we're very grateful that you're there, Phil. Because you do listen, and you don't put your head in the sand, and I think that's really important, folks. The mum and dad shareholders in this room just want to make certain they get good dividends and they're listened to and they don't see their dividends being pissed up against the wall by having to go and defend cases they shouldn't.

The other thing I want to – and I've asked this question before, Phil – is that how many – we all know about the Banking Royal Commission and what went on and what was discovered, and hopefully – I'd like to think most people in this room have read the – Commissioner Hayne's report, and his final report as well.

But it's really crucial – and if you can't give me the answer now, but I want you to take it on notice – I'd like to know, given that Andrew has come into the job and big on customer service – and I support that, Andrew. Absolutely support that. I want to know how many outstanding legacy cases that the Bank still needs to resolve, and Ann Sherry would be aware – the matter that Rita raised. Not just that one, but other outstanding legacy cases

that still need to be resolved so they can be put to bed and the Bank can really move forward.

You've acknowledged about the 345 – the sad part about that, we're talking about domestic violence. I happened to mention to Vicki Brady, because they have a really good program about offering phones and things – for those uninitiated, Vicki Brady's the CEO of Telstra. Which is a really good thing. But to think that we had 345 – and I know it's a small number compared to what you say – but especially domestic violence, it's just – it's a real scourge. We've got women being killed in domestic violence. It should just not happen. It should not happen.

Philip Chronican: Heartily agree with that comment. Thank you very much for raising it. As I said, it's not something that we in any way support or want to condone, because it's a horrible situation. We're obviously – we put a lot of effort into ensuring that we can be there to support customers when they need it.

I don't have an answer to the question you've raised about legacy cases. The definition of legacy cases is a very loose one. Many of the ones that we think are resolved seem to come back from time to time. But I do want to make one point, post Royal Commission. You'll recall that we had the APRA operational risk overlay and a remediation program that we had to execute there, and we've done that. You may recall that we had I think 15 separate actions that ASIC had underway.

Peter Starr: (Shareholder) That's correct.

Philip Chronican: Up until this most recent one on hardship, we had closed off completely all 15 of those. We had I think about four class actions, and from memory, I think three out of those four are now completely closed off. We had a number of major remediation programs, particularly in the wealth business, which are almost complete. I think there's one component still going on. Then, we had a significant enforceable undertaking with AUSTRAC, our AML regulator, and we're within months – some number of months – of having that completely closed out. The remediation work to making NAB a better Bank has been quite significant over this last five years, and almost all of the items on our working – on that list have been dealt with. That's why we were disappointed with the latest hardship issue as well, because we thought we had a clean slate with ASIC. But acknowledge that. Thank you.

Peter Starr: (Shareholder) Thank you, Phil. Just a quick follow-up from that. It's appreciated, on behalf of the shareholders I represent and the mum and dads that are

here. It's really important you acknowledge that, and that's great. Let's hope that we can get through that, so it is fixed. It's really important. The other thing too, for those who either attended the Banking Royal Commission, to NAB's credit – one of my colleagues, Mr Caulfield – Craig Caulfield – that legislation about – that's been put up and adopted by NAB – you might want to talk to that, Phil. The model litigant principals...

Philip Chronican: Yes.

Peter Starr: (Shareholder) ...which NAB have adopted, and to Mr Caulfield's credit, that even the Parliament select committee have thoroughly endorsed the other banks that have followed that legislation that he put up. Thank you.

Philip Chronican: Thanks very much for that. Microphone number 2.

Moderator 2: Chair, I would like to reintroduce Kirinjoat Bhalla.

Kirinjoat Bhalla: (Shareholder) Chair, fraud has been an increasing occurrence, and customers have been impacted. I'm aware that NAB and other financial institutions have been challenged by some of those incidences. To give an example, where a customer basically transfers money to somebody else, and that impact is put onto the Bank as saying, the Bank has been negligent. I have some issues with that treatment but will leave it as that.

What are the steps within the Bank that's being undertaken to reduce the systemic fraudulent risk?

Philip Chronican: Yes. With – there are a number of issues that we're following up. Some of these, we're doing in conjunction with government, some in conjunction with other banks, and some on our own. With the government, we've been consulting actively on the total scam and fraud ecosystem, if I can call it that. You'll be aware that a lot – often, these scams originate through technology platforms, social media platforms, or sometimes through telephone SMS scams.

We've wanted to make sure that any solution to this was all-encompassing and brought into the tent the controls that can be put in place to help protect us through those channels. There are then things that we can work across banks, where we can share information on when we suspect transactions that are going to another account – another bank – might be fraudulent, so that we can get those accounts shut down or at least frozen.

Then, there's issues that we're doing ourselves. One of the industry-wide initiatives is confirming the payee details, so this issue of people inserting the wrong account numbers that don't match the account name can be addressed. I don't think it'll solve all of the issues, but it will certainly be a very good step. We've put a lot of work into alerts on our customers prior to authorising payments, and we've I know intervened on – what was it? \$170 million...

Unidentified Male 1: \$170 million, yes.

Philip Chronican: \$170 million of payments that might otherwise have gone fraudulently have been intercepted and realised that people needed to be checked. We've recovered around \$80 million for customers where there has been fraud, where we've been able to trace the monies. There's – and we've got about 570 people in the company working on the whole fraud and scam environment. It is a big issue for the Bank, and it's one that we take very seriously, because it's been a real scourge, the way in which criminals have been accessing the financial system. So, thank you for your interest.

Kirinjoat Bhalla: (Shareholder) I can give some personal feedback on that. I had to make a fairly large transaction some time ago, and I must say that the Fraud team intercepted that, contacted me, got clearance for that, and it was done within half an hour. Full credit to them.

Philip Chronican: Thank you.

Kirinjoat Bhalla: (Shareholder) I have got one systemic issue that exists in quite a few financial institutions, and I would like to highlight that here. In a number of instances, where there's an outgoing call by the financial institution, the customer receives the call, and the request is to identify the customer, to identify himself or herself...

Philip Chronican: Yes.

Kirinjoat Bhalla: (Shareholder) ...with personal details. There are institutions that do that. If that occurs, and if it is a practice of the Bank, you can imagine that that exposes the Bank quite conveniently for somebody else to intercept that information, represent themselves as being from there or the other institution. If that instance does occur, the Bank, in my opinion, would be exposing itself to quite a bit of liability. Have steps been taken within NAB to ensure that this doesn't occur?

Philip Chronican: I have to admit, I had an account actually with nothing in it with another bank, and I had exactly that type of call, and I had exactly the same response as you have



had to it. Which is, why would I give you my details when I don't even know who you are? Andrew, do you want to comment on that?

Andrew Irvine: Yes. We are making substantial efforts to direct more and more of our information, KYC and data refreshing of our existing customers in our digital app so that you can be sure that it's legitimate, safe and secure. Trying to do a little bit less of outbound calling to do that confirmation. One thing that shareholders and customers do need to realise is that we do need to verify who the users of our accounts are.

Actually, that's one of the biggest typologies that's driving the scam epidemic that we have, where existing customer details or accounts can get compromised either inadvertently or in some cases actually, customers sell their details to criminals.

So we need to constantly be alert to that because that's how customers actually – scammers actually take the money of hard earned Australians, right? Because that's the vector that we need to stop.

So it is imperative that we do this verification in order to make it more difficult for criminals from the fraud and scams perspective.

Philip Chronican: But we certainly take your point. Outbound calling is a difficult area and one that we need to avoid. Just as we have publicly said, we won't use SMS messaging for that purpose. Thank you. Microphone – yes.

[Unidentified Male]: Yes, I've got two other points but I'll address that personally with Nathan and with Anne Sherry later.

Philip Chronican: Okay, fine. Thank you for that. Microphone 1.

Moderator: Chair, I would like to introduce Jimmy Whitfield.

Philip Chronican: Thank you.

Jimmy Whitfield: (NAB, Employee) Good morning, Mr Chairman. I'm a NAB colleague with six years' service at NAB and a proud finance sector union member. Just one question for this section from me.

In recent years, NAB has actively pursued offshoring strategies, resulting in the displacement of Australian based roles and heightened show of insecurity for local employees.

This practice not only undermines the financial wellbeing of affected workers, my colleagues and their families, but also raises broader concerns about NAB's commitment to the Australian economy.

Reports indicate that NAB has set internal targets to grow its offshore workforce, effectively prioritising overseas roles at the expense of local jobs. How does NAB justify the existence of these offshoring targets and will the Bank commit to removing them in favour of supporting onshore employment?

Furthermore, how is NAB investing in its Australian workforce to ensure they are equipped with the skills needed to meet evolving job requirements and to strengthen the Bank's future locally? Thank you.

Philip Chronican: Thank you. Thanks very much for the question. So NAB is growing its offshore workforce, where we're accessing pools of talent in India and Vietnam. Often in skillsets that are difficult to recruit locally.

The one point I would make is that as we have grown the centres in India and Vietnam, our employment of Australians in Australia has gone up, not down. So we are increasing our headcount here.

So it has not led to a reduction of jobs in Australia. But thank you for your question and appreciate the sentiment behind it. Microphone number 2?

Moderator: Chair, I would like to introduce Craig Caulfield.

Philip Chronican: Thank you.

Craig Caulfield: (Shareholder) Thank you. Just a quick follow up on what Rita mentioned before. The customer advocate is so important. As a founder of Bank Warriors and advisor to Bank Reform Now, we've got 16,000 followers. That's why we have many questions sometimes, because it's not just ourselves.

Philip Chronican: Indeed.

Craig Caulfield: (Shareholder) But the customer advocate is a fabulous role. I've talked to customer advocates at eight different banks in branches – banks. NAB always – the NAB customer advocate is not something that's up and out there and transparent.

So I think it does require someone to be here at each AGM, albeit that the lady has influenza, I understand that. But if I look to – the benchmark is Westpac. Westpac has a team of people. There's a team of people always at each AGM.

There's a difference between executives, internal dispute resolution people, and customer advocates. That is the customer advocates can independently assess something to recommend and they're not overseen. Whereas internal dispute resolution, that's not the case. I just wanted to pop that on the record.

Philip Chronican: Thank you.

Craig Caulfield: (Shareholder) In terms of model litigant principles that Peter mentioned before, I approached 13 banks in Australia and New Zealand, of which 11 ultimately agreed to it.

It was with the assistance of the house economics committee having those questions put forward and asked. I had a wonderful experience with Sharon Cook who very strongly advocated for it, and of course yourself, Mr Chronican, and you agreed to it at the time.

Philip Chronican: At the time. Yes, I recall that.

Craig Caulfield: (Shareholder) You know, that's been a fabulous thing. Just some context there. The question I wanted to bring up now was on the bank levy. So I've been reading reports about the proposed bank levy coming up. That's going to affect different banks in different ways.

I was intrigued to hear that NAB would actually get a credit if this bank levy goes through, rather than a contribution. I thought it was to do with branch closures and NAB's closed branches. But it had something to do with your agricultural geographical footprint. Could you give some context to that please?

Philip Chronican: Okay, I will comment on it but I have to put a little caveat out here. What I'm about to say to you is based solely on the newspaper reports I read. Because I can't comment about anything I know because both Andrew and I – and Nathan I think – have all signed non-disclosure agreements about the conversations we've been having.

But as I understand the newspaper article that you're referring to, it's suggested that because of – even though NAB might have shut some branches over recent years, we still have more branches in regional and rural Australia than most other banks.

As a result, we would be one of the banks that would be seen to be overweight. Therefore under that scheme, as reported in the newspaper, in theory could receive a credit. So yes, that was how I read the newspaper and it's because of the number of branches and business centres we have in regional Australia.

Craig Caulfield: (Shareholder) Good to know, so NAB is seen as overweight and my wife sees me as overweight. Thank you.

Philip Chronican: Thank you. Microphone number 1.

Moderator: Chair, I would like to introduce Paul Herman.

Paul Herman: (Shareholder) Good afternoon, Chair and the Board and CEO. I actually represent a support group, so I started a support group actually on Facebook, which is Bank RIP-OFFs support group for people who have had difficulties with the banks. I wanted to just ask questions about predatory lending. Prior to the Banking Royal Commission, there was a lot of that about and in my experience, I had my loan application documents fraudulently altered and my income was increased by 700%.

I hear from a lot of people who have had similar experiences where their loan application documents were fraudulently altered and inflated income, reduced expenses, that sort of thing. What happened when I went and asked the National Australia Bank for a copy of my loan application forms, I was told that it was, on one occasion lost and, on another occasion, destroyed. I've heard a lot those cases where NAB loses the loan application form or it's been destroyed.

I guess I would urge anybody with a home loan or an investment loan to ask whatever bank that they go to or got the loan from, ask for a copy of their loan application form. I just want to know, is that going to continue to be the case, that loan application forms are being lost or destroyed?

Philip Chronican: Well, it's certainly not our intention to lose the forms.

Andrew Irvine: In fact, we've worked very hard over the last two to three years to digitise the vast majority of our lending documents so that they are secure and available to share. We have done that for most of, if not all our home lending and the vast majority of our business lending as well.

Paul Herman: (Shareholder) I would have thought, well I know in my case that a lot of my forms were faxed through, so they would have been scanned and faxed through and those documents should not have been lost. That was in 2005, so really there was the technology for scanning documents for 25 years I guess or more.

I've got a concern also about liar loans, so UBS did surveys, I think that they've actually not done surveys for a couple of years now, but they did surveys on liar loans, so they surveyed customers of the banks. To give you a definition, that's where somehow

somebody has inflated income or reduced expenses, that could be an NAB employee, in my case it was a NAB employee, but it could be the broker, it could be the customer.

My concern with liar loans is about the stability of the banks. According to the UBS, their surveys, between 20% and 40% of all loans were liar loans across the six or seven surveys that they conducted. I'm just concerned about liar loans and concerned that the banks are encouraging such a high percentage of liar loans to get more market share.

Philip Chronican: So, with absolute assurance, we're encouraging none of that.

Paul Herman: (Shareholder) I assumed that you would say that, but look...

Philip Chronican: I recall the UBS articles some years ago about that and all I can say is that the ensuing four or five years, we've seen no evidence of that whatsoever.

Paul Herman: (Shareholder) Okay, I'm concerned that UBS can find these liar loans, but the banks, the big four banks have difficulty finding them.

Philip Chronican: Well, they say they found them, but in the last four years none of them have gone bad, so it doesn't appear to have been the case.

Paul Herman: (Shareholder) We've had a property boom, which helps. Okay, well I think that's about my question, thank you.

Philip Chronican: Thank you. Microphone number 2.

Moderator: Chair, I'd like to introduce Carol Carney.

Philip Chronican: Thank you.

Carol Carney: (Shareholder) Good morning, Chair and panel.

Philip Chronican: Good morning.

Carol Carney: (Shareholder) If it's still morning. My name's Carol Carney, I live in Echuca and I'm a horticulturalist. Two years ago, thousands of homes in Echuca, Rochester and Torrumbarry were inundated by floods causing evacuations. The floodwaters, tainted by sewerage, reached my post box at my front door. I had lots of supplies, so I was able to stay and be around to help others in dire need.

Other friends of mine, [Chris and Lyn] were rowing through the tumultuous waters to get to their home and they were upended into the water, losing their shopping, wallets, phones and luckily their dog was a strong swimmer. Chris was going through cancer treatment at the time and still is. They came and stayed at my house during this time.

Other friends, [Tuesday and Harry] were totally inundated, so they moved on to a high hill on their property, set up a barbecue, tables and tarps to live under for the next six months. I was meeting them on the edge of the floodwaters and giving them jerrycans of fuel, bags of food, so that they could survive stranded on the hill tending to their farm animals.

Many other neighbours were evacuated to the high school halls and golf club rooms for the short term and then spent the next six months living in a tent city created nearby at Elmore. I'm really concerned about the inequity between one of Australia's biggest companies like NAB profiting from the finance it provides to companies expanding coal, oil and gas while everyday Australians have to bear the brunt of climate-fuelled disasters like the floods that my community experienced.

We face rising insurance premiums, displacement, homelessness, loss of business, loss of homes, friends have moved out and even families have been disbursed because people are still recovering from this event. Does NAB do proper analysis on the levels of warming that are associated with its fossil fuel clients' future plans? Does NAB look at the likely impacts that this will have on the customers in regions with high risk of climate impact?

Philip Chronican: Thank you. I just want to make two points. One is actually we do have a comprehensive framework for how we are reducing our exposure in the emissions intensive areas and it's set out in our climate report. But I do want to ask the meeting just to indulge me with this one. We're on Item 4 and this question clearly belongs in Item 5. The sooner I can get Item 4 closed, the sooner we can have the substantive discussion on this point.

So, if we could relatively quickly get closed on Item 4, then we can move on and have a very comprehensive conversation about the approach we're taking on emissions reduction, climate and the impacts it has on the environment, because I share your concerns about the long-term effects of climate change. Thank you.

Carol Carney: Thank you very much, Chair and panel.

Philip Chronican: Thank you. Now can I just clarify if there are any more questions on Item 4? Microphone 1?

Moderator: Chair, I would like to re-introduce Spiro Arkouzis.

Spiro Arkouzis: (Shareholder) Thank you, Mr Chairman, I will be brief.

Philip Chronican: Please.

Spiro Arkouzis: (Shareholder) Look, as NAB, we are a business, our business is people and part of that is our lending and trading. Now I'm doing a lot of listening to what's gone on, not only in our room but through the newspapers and part of that is those 345 or so hardship cases. Andrew, if I could ask you this question, would you be prepared, through your managers, I don't know how many of those cases would be still current, but would you be prepared, because it's such a small number, to see if we can help these people in some way?

Now, they're families, they're mums and dads and it's such a small thing and I think from where we stand as National Australia Bank, nationally and outside of Australia, that media release that you go the extra mile, the extra 10 miles, the extra 100 to help people, again, is a great catalyst to make people feel safe, that NAB has integrity and credibility and you can rely on National Australia Bank and their wonderful Board. Would you be prepared to look at that, Andrew?

Andrew Irvine: Spiro, thank you for the question. I can assure you we are in touch with every single one of those customers to both apologise for what happened and to see how we can best help them today and we are actively doing that.

Spiro Arkouzis: (Shareholder) Thank you, Andrew. Just for the Board, we keep hearing about branch closures, but are there any new branches that you're opening throughout Australia? Are there any new branches that you're opening?

Philip Chronican: Well, I've been to a couple of new ones we've opened...

Spiro Arkouzis: (Shareholder) Wonderful.

Philip Chronican: ...but what I have to say, what I'm really impressed with, is the ones where we've done major refurbishments and in the last year or two, I did a trip up to Moree and Narrabri and we've built this beautiful branch and business centre in Moree. I know we've got one in Wangaratta, I think in Devonport in Tasmania.

It's not just what we've – because I have to say, five years ago you would have looked around, a lot of the NAB branches were pretty dowdy and in need of refresh. The thing I'm really thrilled to see over the last few years is the investment that's gone into refreshing the branch network to make it look modern and fit for purpose. But the big investment that's gone into some of those regional hubs is quite impressive and I invite you to go and have a look at some of them.



Spiro Arkouzis: (Shareholder) Wonderful, thank you, Mr Chairman. Just one more point, as we're a business and we know that there's a lot – there are still some small banks left throughout Australia, is NAB's mission on an acquisition of other small banks like Bank of Queensland? Andrew, are you able to answer me that question?

Andrew Irvine: Our primary focus is to serve our customers and organically grow. There are no active opportunities that we are pursuing and if there's ever a good opportunity that we think would be good for customers and good for our shareholders, we'd consider them, but there's none occurring at this time.

Spiro Arkouzis: (Shareholder) There's no confidentiality agreements or non-disclosure statements signed insofar as acquisitions of any other small banks throughout Australia?

Andrew Irvine: I think we can safely say there's none.

Philip Chronican: None, because frankly, we've got a full agenda of work on our own technology agenda at the moment.

Spiro Arkouzis: (Shareholder) Wonderful. Thank you for being so transparent and open. Just one last point, being at the AGMs for the last three-plus years, I'd also like to extend my thanks to you, Phil, for doing an outstanding job and your address and Andrew, yourself, your address was excellent, but also I'd like to send a hearty thanks to Ross McEwan, who has done an outstanding job in the time and tenure that he was here. If we can just give Ross a round of applause, he's done a great job. Thank you so much. Thank you.

Philip Chronican: Thank you. Microphone number 2.

Moderator: Chair, I'd like to introduce Michael Sanderson.

Philip Chronican: Thank you.

Michael Sanderson: (Shareholder) I was going to leave this till the end, but there's been quite a few questions that relate to it and it does relate to AFCA which appears in the reports. Phil, you made a comment about legacy cases popping up. The issue of model litigants being discussed.

Philip Chronican: Yes.

Michael Sanderson: (Shareholder) Liar loans have been discussed. The issue, as I see it, is an issue of access to justice. Now one of the, well our peak EDR body is AFCA, AFCA is the Bank's gatekeeper, continues to act unfairly and with impunity. It does so because there is

no merit review of an AFCA determination that can alter or overturn an AFCA determination outside the courts. The courts are unaffordable and out of reach.

Although not binding on the consumer, the banks will still claim that a potential dodgy determination vindicates them. Will NAB support an independent AFCA merit review mechanism for AFCA determinations and because Treasury's inability to act and I believe have an inherent bias, would NAB actively support a Senate inquiry into AFCA?

Philip Chronican: I don't think that that's an appropriate thing for me to comment on.

Michael Sanderson: (Shareholder) Why so? You are...

Philip Chronican: AFCA is the independent reviewer.

Michael Sanderson: (Shareholder) But the financial service provider sector are the members and financiers of AFCA.

Philip Chronican: We pay a levy to AFCA, but we have no say over the work that it undertakes.

Michael Sanderson: (Shareholder) I disagree.

Philip Chronican: It acts as an independent body.

Michael Sanderson: (Shareholder) I disagree with that, if you look at the constitution, you get a vote for every dollar that you spend with AFCA on issues, you are a voting member of AFCA, whereas a number of other financial service providers are not voting members, which is a breach of the – what a company that's limited by liability, which is what AFCA is. I believe AFCA is – I don't believe, I know AFCA is an instrument for the financial services industry and as I said, they act as gatekeepers.

I don't say this from the outside. I've actually been a member of AFCA, one of the two members and the other one is Rita, that joined AFCA as a consumer. It demonstrates – I've got a membership number or did have one before I was ejected by Helen Coonan the night before an AGM. AFCA is a biased organisation that does not serve the interest of the consumer. I can say that categorically, just to reject it. Do you see any issue with a Senate committee investigating AFCA determinations?

Philip Chronican: The Senate is entitled to run inquiries on anything it wishes to and if it wishes to do that, I'd have no problem with that.

Michael Sanderson: (Shareholder) Again, I go back, in the light of transparency, would your Bank support, actively support...

Philip Chronican: Well, it's not up to us to support. The Senate is the group that chooses whether the Senate has a subcommittee or an investigating committee. It's not up to us to support or not support. We turn up when we're asked.

Michael Sanderson: (Shareholder) Right, okay. Thank you very much.

Philip Chronican: Thank you. Microphone number 1.

Moderator: Chair, I would like to re-introduce Peter Starr.

Peter Starr: (Shareholder) Phil, this question is probably best directed to Andrew and for the uninitiated in the room, I presume that NAB has what they call a settlement or a dealing room, is that correct?

Philip Chronican: Yes, we have a dealing room.

Peter Starr: (Shareholder) Thank you and my second question is, can Andrew and more importantly you, Phil, give the shareholders in this room, that in our dealing room and in our, what's called a settlement room, so that's where trades are settled, ladies and gentlemen, for those who don't know and by the big institutions come and settle those in the floor the room, can you give an undertaking that we do not have executives coming back drunk, executives coming back doing cocaine, executives coming back to that dealing room and doing sex, drugs and rock and roll, please?

Philip Chronican: I'm pretty sure, but Andrew, would you like to comment?

Andrew Irvine: We...

Philip Chronican: It's in the same building I work in and certainly I don't see that happening, I can give you that assurance.

Peter Starr: (Shareholder) I'm pleased to hear that and on behalf of the shareholders I represent, because my second quick question to that is that did we participate or were able to participate in the bonds that the Federal Government allocated to...

Philip Chronican: Yes, I think we were on the panel for the AOFM bond tender, yes.

Peter Starr: (Shareholder) Right and can I get some undertaking on behalf of the shareholders and the mum and dads in the room that we didn't manipulate or cause any problems with that?

Philip Chronican: Yes, I'm pretty sure we've looked into our...

Andrew Irvine: We've done a very thorough review of our practices and our conduct on that particular trade and how we manage all trades in our trading floor as a result of the

accusation at the other bank and we are comfortable that there are no issues that we have identified in that review.

Peter Starr: (Shareholder) I'm very pleased to hear that, Andrew and Phil. The other thing too, Phil, that addressed the – talked about scams that people in the room may not be aware but you might want to just talk what a mule account is.

Philip Chronican: Sure.

Peter Starr: (Shareholder) A mule account is where it's set up by another bank for the purpose of scamming you as a genuine person, goes to that mule account. Now, I know at a particular certain bank, the Federal Police have raided and part of that raid is to do with mule accounts. Because I had a client affected who was a Westpac customer, and the mule account was set up at ANZ. So, it's really important about these mule accounts.

On that question, Phil and Andrew, about identification, in the app – you may not be aware of – but in the NAB app there's an inherent problem. I think you may be aware but I'll make you aware of it – there's an inherent problem where it says to know your customer or to identify yourselves and go through the checklist. Even after you do that, there seems to be a recurring thing to keep coming back to do that. I'm not sure if you're aware of that, but it is definitely an inherent problem because I've raised it with a couple of branch managers in Sydney.

Philip Chronican: Okay. I'll have Ana have a look at that, who looks after our Personal Bank.

Peter Starr: (Shareholder) Cheers.

Philip Chronican: I did the KYC refresh in the ubank app just last week myself, and that one certainly worked, so I was very pleased that it did.

Peter Starr: (Shareholder) Yes.

Philip Chronican: So, thank you for that.

Peter Starr: (Shareholder) Cheers, thank you.

Philip Chronican: Mule accounts, yes. In the context of frauds and scams, Peter was referring to mule accounts, where a mule account is essentially the account to which the money initially gets sent and then the fraudsters then accumulate the money and then, typically, would send it overseas. One of the initiatives that we've been putting in place is using technology to identify what a mule account – because look, you should be able to tell from the nature of the activity what a mule account looks like so that we can get in quickly

and freeze those accounts. It's one of the actions that we're taking to shut down scams, so thank you.

Peter Starr: (Shareholder) Follow up Phil is that you're right. Sometimes the scammer will get a genuine person to open that account and then use that account.

Philip Chronican: Yes. Andrew was referring to the fact that people sometimes inadvertently supply accounts, Peter.

Peter Starr: (Shareholder): Yes. This is what happened in this particular case because it was identified by the Federal Police in relation to it was definitely a mule account that was allowed to access so they could scam the money, which was really sad.

Philip Chronican: Yes, I see. Thank you. Do we have another question at microphone 1?

Operator: Chair, I would like to reintroduce Rita Mazalevskis.

Philip Chronican: Thank you.

Rita Mazalevskis: (Shareholder) Before I ask my short question I just want to ask you in the Board, do you intend on charging your customers fees to access their own money?

Philip Chronican: No. No.

Rita Mazalevskis: (Shareholder) No? That's great because Westpac said no as well, so two out of three is good so far. We have a lot of NAB customers listening today online and a few of us have been questioned, been given questions by other customers who are not shareholders and would like them asked, so I have one of those now. It's very, very short and I think it would be for the benefit of customers and shareholders. Could you please explain what a debt for assets swap is?

Philip Chronican: [Unclear]?. Andrew, are you aware?

Andrew Irvine: I think it would depend on the circumstance.

Rita Mazalevskis: (Shareholder) Could we have an example, any circumstance.

Andrew Irvine: I mean, if you are...

Rita Mazalevskis: (Shareholder) Or to do with the home loan?

Andrew Irvine: Yes. I was thinking that it was if you were a creditor to a company and you had debt in that company and that debt wasn't being repaid, that you may take a position in that company either from an equity or an asset perspective.

Rita Mazalevskis: (Shareholder) Yes, and from a customer perspective, how would it work? Say, one of your customers having a loan?

Andrew Irvine: Yes, well...

Philip Chronican: I'm sorry. This is heading us down a narrow path here, Rita. Maybe we could talk after the meeting.

Rita Mazalevskis: (Shareholder) Sorry?

Philip Chronican: I don't know where we're headed with this question.

Rita Mazalevskis: (Shareholder) No, I just asked for an explanation. What is a debt for asset swap in relation to customer lending or a customer loan?

Philip Chronican: Well often in a commercial situation the customer, if they can't service the debt, might offer to forward an asset to the Bank in repayment of the debt, I think...

Rita Mazalevskis: (Shareholder) Well, isn't that just like a repossession to pay out the debt? Is that the same thing?

Philip Chronican: It would depend on the circumstance of it, but...

Andrew Irvine: That could be a customer that could have multiple assets and choose to sell a different asset to be able to pay back a debt.

Rita Mazalevskis: (Shareholder) Just for clarity, does that debt for asset swap process is that part of securitisation?

Philip Chronican: No.

Rita Mazalevskis: (Shareholder) Totally separate?

Philip Chronican: Totally separate concept.

Rita Mazalevskis: (Shareholder) That's why the question has been asked to have it explained, just for clarity for those listening. Is there anything we can get on that? Do you have anything that could explain to people who are not financially savvy and don't understand? It's not something you can find easily when you're looking at descriptions of words within documents.

Philip Chronican: I don't know that but, potentially, Shaun Dooley, who's here, our Chief Risk Officer, might be able to find some material on that.

Rita Mazalevskis: (Shareholder) Okay. Would I be able to touch base with him after the meeting?

Philip Chronican: I'm not sure but I can see Shaun.

Rita Mazalevskis: (Shareholder) Yes.

Philip Chronican: Down the front in front of you.

Rita Mazalevskis: (Shareholder) Okay. Great. Thank you.

Philip Chronican: Thank you for that. Do we have another question?

Moderator: Chair, I would like to introduce Malcolm Kater.

Philip Chronican: Thank you.

Malcolm Kater: (Shareholder) Good afternoon. Sorry, I have to go but I'm a long way from home. We've come from Warren in New South Wales. I've met Andrew through a letter and I was talking to you last year when you cut me off at the AGM but it wasn't your fault I don't think, it was more like the communications of AI or whatever you like to call it. At that point of time I was very worried about losing the banks in Warren and Narromine, Nyngan, et cetera, Trangie, way back, and we still employ a lot of men and women and they need the bank.

But anyway, we go 100 kilometres this way or 100 kilometres the other way and we might get a service and it's a terrible service you're giving at the banks. My account in Sydney, and it happens there too at the 333 George Street and also in Dubbo. Pregnant lady pushed up the [unclear], nearly had the baby on the floor because she had to wait 30 minutes to get talking to a teller. Once upon a time you could go in with a cheque and money was in your hand – good day Malcolm, good bye. Today it's you've got to pull out your licence, it's crazy. Your staff are not being trained to look after people, it's shocking. If I [ran] my jackaroos like that I'd be – wouldn't be worth putting a reference to them.

What I am worried about, though, sir, is that the Australian – the undermining of the security of our titles is happening right around the countryside with the government, the Federal Government and local governments, and that's what you have, the security on my land. If they get taken away from me by some government motion, then you haven't got any title that I've borrowed money against.

Secondly, sir – I'll get it in a minute – the emissions thing that was talked about here today, that is a crazy thing. There are great people doing work on it with seaweed, et cetera, et cetera, but I'm afraid that it's got to go a bit further and someone in the agricultural department of the Bank has to look at it. Because we are overloaded with red tape now, with EPAs and all these things, that it's getting more than my secretary can



handle. So, I'd like to meet with Andrew or yourself at some stage, but I'm sorry I have to go. I've appreciated being here today. Happy Christmas and prosperous New Year. Thank you.

Philip Chronican: Thank you. Thank you very much for that. I know Andrew and you have spoken directly because I think I was with Andrew at the time, as it happens.

Andrew Irvine: Right. There are a few questions in there and I know your disappointment was articulated in our approach to closing the branch in Warren and the fact that then residents would have to drive to the Dubbo location. Although since we've had that chat, I think we have invested significant amounts of money in the Dubbo location and I look forward to personally visiting it myself. I haven't yet been there since it's been...

Philip Chronican: I was there this year. It's pretty good.

Andrew Irvine: ...yes, since it's been renovated.

Malcolm Kater (Shareholder): [Inaudible] be there.

Andrew Irvine: All right. I look forward to that. On your comments around just staff capability and branches, that's a comment I take very seriously. It's something that Ana and I, who runs the Personal Bank, are actively looking into. I've made it very clear that customer experience is the most important thing that we care about in our Bank. Where there are areas where our customer experience isn't where we need it to be, that's something we will want to address.

Malcolm Kater: (Shareholder) Thank you. I would think we should get a bell there for 30 seconds to go, please, next year.

Philip Chronican: Thank you.

Malcolm Kater: (Shareholder) [If I was there I would be].

Philip Chronican: No further questions in the room. Virginia, do we have a question online?

Virginia Porter: Chair, we have a question from Mr Stephen Mayne. The five most valuable US big tech stocks – Microsoft, Apple, Amazon, Alphabet and Nvidia – are together worth more than \$20 trillion, largely because they have enormous pricing power and are overcharging customers the world over. Could the CEO comment on which of the big global technology companies we are most reliant on, and what would we do if they suddenly put their prices up by 30 per cent?

Philip Chronican: Well, I think, Andrew, either you or I could answer this one, but it is in the public domain that we have contracts with two of those...

Andrew Irvine: Correct.

Philip Chronican: ...sizable contracts with two of those. That would be Amazon Web Services and Microsoft Azure.

Andrew Irvine: Yes. Our biggest technology providers would be our cloud computing providers that provide us with Compute. Because we've moved over 85 per cent of our technology ecosystem out of our own data centre into the public cloud. We've done that very thoughtfully, I might add. So, we have two providers, two providers on purpose, and we can real-time move Compute between the two of them. Were we in a situation where one of them changed the price on us, we would move the Compute overnight.

Philip Chronican: Thank you. Thank you. Virginia, do we have any further questions?

Virginia Porter: Chair, we have a question from Mrs Patricia Vorchheimer. In relation to the Financial Report I see the Income Statements and note five on the first statement that our operating expenses have risen considerably, most of which appears to be technology expenses plus other expense related to occupancy. My guess is that some may be related to trying to overcome fraud, but also, how much is due to the increased cost of power?

Philip Chronican: I think, if I can answer the last part of that first, power cost itself is not a big item for us even though the costs have gone up. I think you'll find that most of the additional costs that we're incurring are relating to financial crime generally, which is both our money laundering and fraud and scams, plus the investments in new technology to modernise the Bank's technology environment.

Virginia, do you have any more questions?

Virginia Porter: Chair, I have a question from Ms Natasha Lee. Financial crime is set out in page 49 but does not appear to cover domestic and family violence and coercive control. Could you confirm NAB see this as a priority and advise the actions being taken to address it?

Philip Chronican: Yes, I think I may have actually covered that earlier. We certainly see domestic violence as an important issue. We have got programs in place for supporting it and we have been putting additional resources, including training, for our frontline staff, so yes Natasha it is an important issue for us. Virginia, do we have any more questions?

Virginia Porter: Chair, we have a question from Ms Natasha Lee. While the NAB strategy is stated as to serve customers well and to provide exceptional customer service with a Customer Care team as the first point of contact for customers experiencing financial hardship, this appears at odds with the reported failures for which ASIC has taken action against NAB. Please comment on how NAB is addressing this failure.

Philip Chronican: So I think we've covered that. We have overhauled the way in which we handle hardship applications and as Andrew has indicated, we've reached out to the people that we failed to address at first instance. So yes, we are addressing that issue. Virginia, do we have another question?

Virginia Porter: Chair, we have a question from Ms Olivia Caulfield. A question for the auditor. As NAB's external auditor, how do you evaluate the impact of generative AI tools such as those used for financial crime risk assessments and fraud detection on NAB's financial reporting processes and internal controls?

Philip Chronican: That's an unusual question but I will pass to the auditor to make a comment on any issues you have with AI in the audit.

Tim Dring: Thanks shareholder for your question. I think when we look at the financial accounts as a whole, we express an opinion on the financial statements as a whole and rely on a number of processes in doing so.

A big part of that is IT processes and you will see in our audit report we did talk about that as a key audit matter. In relation to that, we test a number of the IT controls, such as IT journal controls, change management and some of those are pretty sophisticated technologies as well.

Some of the items you mentioned in your question, we don't specifically opine on, such as fin crime but a number of those that do translate into the financial statements we do test those controls as well. Thank you for your question.

Philip Chronican: Thank you for that. Virginia, do we have any more questions online?

Virginia Porter: Chair, we have a question from Mr Kevin Daly. There has been no mention of your online broker business, nabtrade at the AGM. Could you provide some information as to how it is performing and what its future strategy is?

Philip Chronican: I'll pass that one to Andrew.

Andrew Irvine: Yes, no it's a business that we really like and want to be much bigger. We're investing in it actively. We've added a new bond capability to it, a fixed income

capability, a multicurrency capability to be able to more seamlessly buy and sell stocks in other global markets.

It's performing well. We just want it to be a bigger proportion of our overall portfolio and it's an area we'll be pushing into.

Philip Chronican: Thank you. Virginia, do we have more questions?

Virginia Porter: Chair, we have a question from Mr Vatsal Tayal. First question, NAB has one of the best approachable mechanisms for customers for fraud related circumstances. However, what is the view for taking SMS as well as email alerts for transactions as the practices in ubank and NAB are different for sending out alerts; ubank has more alerts available.

Appreciate this is a very operational question, however, can also be a very quick fix. Could be having an alerts button and the ability to select that in the app. This practice of SMS alerts is very well established in many banks outside Australia.

Some customers may not appreciate it, but it may also be appreciated by a lot of them as they will be able to catch a fraud in action and the ability to inform the Bank to say a certain transaction has occurred and it wasn't something they had authorised. This may help reduce fraud losses.

Second question also, how much help and support have we received from Visa for card scams? What specific measures have been taken by Visa for NAB cards?

Philip Chronican: Well, as the questioner has highlighted, there's an operational element to that. I know we do do alerts because I get alerts, but Andrew, do you want to [unclear]?

Andrew Irvine: We have a very significant number of alerts in both our ubank and NAB brands. I can personally say in the last three or four days, I've had three myself. One where I use a computer I don't often use to log in to my digital properties. I got an alert asking if it was me.

I got an alert where I was buying something online, a Christmas present for my kids. It wasn't a usual practice. Again, was that me and then the third one where I made an overseas payment. So they're all examples of, I think us being bringing more effective insight and information to our customers to empower them and keep them safe.

To the extent that there is a difference between ubank and NAB, I think what I'd like to do, and I'll ask my team to do it, is just to do a compare and contrast on what they are and see if there's an opportunity for us to learn from the two brands and improve.

Philp Chronican: Anything from Visa?

Andrew Irvine: Yes, we actually work very significantly with Visa. We use a number of their fraud rules and data and analytics capabilities extensively all the time, every single day so that if we think collectively that there's a potential fraudulent transaction on the card, that we will intervene, block the transaction or block the card.

We've also got extensive controls in the app for our customers to be able to temporarily suspend the card if they think that their card may be compromised and that's something they can then change themselves on the app if they then change their mind.

So again, really trying to empower our customers to be scam and fraud aware and to be able to protect themselves as well.

Philp Chronican: Virginia, are there any more questions online?

Virginia Porter: Chair, no further questions online.

Philp Chronican: That's great. Do we have a question at microphone 1?

Moderator: Chair, I would like to reintroduce Spiro Arkouzis.

Spiro Arkouzis: (Shareholder) Mr Chairman, listening before to Mr Malcolm Kater and our question online regarding one was the title deed of his property, the other was about trading.

Now, can you confirm that if other banks are trading title deeds internationally of equal value and also trading back to backs, are we doing that in our trading room or is that not a business that we are partaking in?

Philp Chronican: I'm not aware of anyone trading title deeds anywhere. Our trading room trades foreign exchange and bonds and interest rates swaps. Thank you.

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

Philp Chronican: Is there another question at microphone 1? No, all right, well, I declare that the Financial Report, Director's Report and Auditor's Report have been received and considered at the meeting.

The next Items of Business are Items 5A, and 5B, which were requisitioned by a group of shareholders. These resolutions relate to a proposed amendment to the Company's constitution and our customer transition plan assessments.

I'll explain the Board's position on these resolutions before inviting questions from shareholders on these items and on NAB's climate change policies or disclosures more broadly.

Item 5A is a special resolution and requires approval by at least 75% of eligible votes cast on the resolution. Item 5B is conditional upon Item 5A being approved. I'll speak to this item even if the resolution for 5B is not required to be put to the vote.

The resolutions for Items 5A and 5B are not endorsed by the Board. 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 interest of the Company's and the shareholders as a whole and recommends that shareholders vote against it for the reasons outlined in the Notice of Meeting.

In short, under the Company's constitution, the power to manage the business of the Company 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. The Board discharges that duty by considering 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.

Consequently it could result in future AGMs being dominated by non-binding special interest resolutions that could be time consuming in terms of both 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. We provide shareholders with several avenues to raise issues as described in our Notice of Meeting. The Board recommends that shareholders vote against the proposed resolution for Item 5A.

Item 5B is conditional upon Item 5A being passed by shareholders and relates to disclosures of information on the Company's approach to assessing the climate transition plans of its customers, particularly those in the fossil fuel sector.

The Board and management recognise that climate change and the economic restructuring needed to decarbonise is a societal issue of inordinate scale and complexity. NAB's climate

strategy aims to maximise the climate transition's economic benefits for customers, the Company and the community, and to help achieve emissions reductions consistent with a maximum temperature rise of 1.5 degrees above pre-industrial levels by 2100.

As a member of the Net Zero Banking Alliance, NAB has set 12 sector decarbonisation targets for eight of its nine high emitting sectors listed in the United Nations Environment Programs Finance Initiative guidelines. This is disclosed in our 2024 Climate Report, which was released in November.

Our 2024 Climate Report also provides information on NAB's customer transition plan assessment framework, which will apply from 1 October 2025. This assessment framework considers a range of factors including a company's approach to reducing its Scope 1, Scope 2 and material Scope 3 emissions, progress towards targets and capital expenditure alignment.

It includes sector specific factors such as an oil and gas company's approach to capping or reducing its hydrocarbon output. The framework will initially apply to some of our largest emitting Corporate Institutional Banking customers in several sectors, power generation, oil and gas, and metallurgical coal.

Consistent with our sector decarbonisation targets, we define those sectors by reference to the Unit FI guidelines referred to in the Net Zero Banking Alliance commitment statement. Where an in-scope customer does not have a customer transition plan in place or is unable to demonstrate progress beyond an overall rating of limited in our four tier rating system, we will not provide new or renewed Corporate, Project or Trade finance facilities or facilitate capital markets activities.

It is important to note that this process is about building better understanding and support for our customers with their transition plans and progress, while being clear on expectations.

We recognise that expectations on customer transition plans are evolving rapidly and we will continue to mature our approach, including considering whether to expand the framework to select parts of the fossil fuel value chain.

We are conscious that government requirements and industry obligations on companies as well as broader international expectations are likely to change over time. Additionally, there will be advancements in technology and science and improvements to the accuracy of data and information provided by customers that NAB is relying on.



NAB will review its approach and framework annually to consider these developments, including opportunities to harmonise expectations on customers to reduce complexity and expense.

As I mentioned earlier in my address, the Board considers that it's appropriate for the Company to take an orderly and considered approach to responding to climate change while acknowledging the important role NAB plays as a bank in supporting customers to decarbonise, build their climate resilience, and help achieve the goals of the Paris Agreement.

I've had discussions with a large number of investors since the release of our 2024 Climate Report, and I've been encouraged by their responses. Accordingly, the Board recommends that shareholders vote against the proposed resolution for Item 5B.

Having put forward the Board's position, I'd now like to invite Kyle Robertson, a representative from Market Forces to microphone 1, to briefly address the meeting on these items.

Kyle Robertson: Thank you, Chair and the Board and greetings to fellow shareholders in this room and online. I'm speaking on the resolution at Item 5B, transition plan assessments.

This resolution was filed by Market Forces on behalf of more than 100 shareholders, both Retail and Institutional. Last year, a similar resolution filed at NAB received significant shareholder support with over 28% of shareholder votes cast in favour.

We would like to acknowledge that throughout 2024, Market Forces has engaged constructively with NAB on its approach to fossil fuel clients transition plans and appreciate the effort NAB has put into improving its disclosure of how this policy will be applied in practice.

However, the disclosure NAB has provided in its 2024 Climate Report falls short of meeting the request put forward in this year's resolution. The request for further disclosure in this resolution boils down to a simple question; whether NAB will continue to provide finance to fossil fuel companies that don't have a Paris aligned climate transition plan beyond October 2025.

Unfortunately, shareholders still do not have a clear answer to this question. In its Notice of Meeting, NAB noted that assessing clients' transition plans against Paris aligned

scenarios will be part of its assessment of fossil fuel companies, but not the sole determining factor about whether or not to provide them finance.

This response should be concerning to all shareholders that voted in favour of this resolution last year, which accounted for nearly a third of the register. Unless NAB requires its clients to demonstrate Paris alignment, the Bank's historical financing activity indicates that it will continue providing finance to companies misaligned with the Paris climate goals.

Take a recent example. One of NAB's oil and gas clients is Santos, Australia's second biggest oil and gas company. Santos is seeking to sanction three new oil and gas projects in the coming years and NAB has continued to loan to this company, including taking part in a recent \$1.2 billion syndicated loan refinancing in September.

This loan won't mature until 2030 with Santos aiming to sanction one of its biggest gas expansion projects, Parkway LNG, as early as next year. The need for the shareholder resolution before today is clear. Based on NAB's current policy, shareholders do not have clarity as to whether the Bank will continue financing the oil and gas expansion strategy of clients like Santos beyond next year.

NAB claims that it is committed to doing its part to limit warming to 1.5 degrees. Yet the reality is that the world is not on track to achieve that goal. Largely due to the scale of projected emissions stemming from global fossil fuel expansion plans.

The United Nations has projected that we are on track to warm by up to three degrees based on planned levels of future coal, oil and gas production. NAB's financial support for companies like Santos, whose plans are incompatible with the climate goals NAB claims to be committed to is exactly what this resolution seeks to address.

NAB is clearly aware of the severe risks from climate change to our economy, our society, and our environment. The science is clear that every fraction of a degree of warming above 1.5 degrees vastly increases the risk of climate extremes, meaning devastating events like the Black Summer bushfires or the 2022 flood events on the Australian eastern seaboard will only become more frequent and more severe.

As Australia's leading agribusiness bank, many of NAB's agribusiness clients would already be facing the impacts of climate change on their business through drought, fires and floods. By 2050 extreme events related to climate change are projected to halve the agricultural output of the irrigated areas of the Murray-Darling basin.

There is a clear recognition from the Bank that fossil fuel expansion is incompatible with global climate goals because it ruled out directly financing the vast majority of these projects in this year's climate report.

However, continuing to arrange corporate finance or bonds for the same companies developing those projects is a substantive loophole that needs to be addressed for the Bank to meet its climate commitments.

There is a possibility for positive change here. NAB proudly claims that it is the largest Australian bank financier of renewables projects across the world but the transition is twofold. It involves a rapid and just transition to a net zero economy powered by clean energy, while at the same time a winding down of fossil fuel production in line with global climate goals.

NAB is undermining its positive actions by continuing to finance a major problem; companies expanding fossil fuels. We strongly urge all shareholders to vote in favour of resolution 5B, not just for a better planet, but for a better future for our Bank. Thank you.

Philip Chronican: Thank you. I'll now invite questions from any other shareholders on these items or on the position more broadly. Microphone number 2?

Moderator Chair, I would like to introduce Peter Gaffney.

Peter Gaffney: (Shareholder) Thank you. I come here today as a healthcare practitioner. I'm a nurse at Peter Mac. Victoria and New South Wales have just experienced severe heatwaves. Penrith in Sydney's west hit 39 degrees with consecutive days in November making it the hottest place in the world at the time.

It was a throwback to the heat experienced during the Black Summer bushfires when Penrith set a new record for the region and reached 48.9 degrees Celsius. People die in heat waves. The World Health Organisation cited a study that estimated that there were 489,000 deaths in heat related incidents between 2000 and 2019. That's almost 10 million people over two decades.

The devastating Black Summer bush fires and widespread flooding on Australian eastern seaboard in 2022 overwhelmed emergency services and health systems leading to considerable acute and chronic health impacts and deaths.

The climate crisis is a health crisis. Healthcare workers like myself will be on the frontline of this crisis. If the planet continues to warm beyond the 1.5 that you've stated and even two degrees, our healthcare system will be stretched beyond its limits.

As one of Australia's biggest banks committing to doing its part to achieve the goals of the Paris Agreement, NAB should be doing everything it can to prevent that from happening for a safe future for its clients, for Australia and for the world.

So why is the Bank continuing to finance companies pursuing fossil fuel expansion projects that will lead to catastrophic levels of warming?

Philip Chronican: Thank you. As we've set out in the Climate Report, we are planning to reduce our exposure to the oil and gas industry quite materially between now and 2050. It is already a very small part of our operation and I can't say anything more than what we've said.

We are committed to reducing that exposure. We are committed to growing renewable energy providers and we are putting in place an assessment framework so that we will lend to customers who have plans that address the climate transition.

Peter Gaffney: (Shareholder) Thank you. I assume you're aware and the Bank's aware that the enormous disconnect between climate goals and the pathways we're currently on. The reality is that we are on track for warming beyond 3.1 degrees according to the World Bank...

Philip Chronican: Yes.

Peter Gaffney: (Shareholder) According to the UN, I should say.

Philip Chronican: UN, yes.

Peter Gaffney: (Shareholder) If we don't seriously change what we're investing in, business as usual is going to drive us to that point. On reflection of that, the 3.1 that we're heading towards, is there any financial decisions that on reflection on how the NAB's financial decisions are contributing to us blowing past that goal of the Paris Agreement of 1.5 that you have quoted?

Philip Chronican: As I said, what we've set out in the Climate Report is what we are doing to try and reflect – I should be clear here, the Bank can't change the climate. What we can do is adjust our lending so that it's commensurate with what the economy needs to look like as we move towards Net Zero. That's what we are seeking to do and that's what we've set out in the Climate Report.

Peter Gaffney: (Shareholder) Thank you.

Philip Chronican: Thank you. Question microphone 1?

Moderator: Chair, I would like to introduce Jo Dodds.

Philip Chronican: Thank you.

Jo Dodds: (Shareholder) Chair and Board, thank you for hearing me today. I'm Jo Dodds and I've come down from far south coast of New South Wales today to speak to you. I am the Co-Founder and President of Bushfire Survivors for Climate Action.

I'm a bushfire survivor and since 2018 I've had direct experience of three separate terrifying bushfires in my community, two of which threatened my home directly. I've travelled here, as I said, from New South Wales to ask the following questions of the NAB Board and would also like to make the point that I receive no payment for what I'm doing here today.

My question relates to NAB's support of companies involved in Australia's biggest proposed gas development in the Beetaloo Sub-basin. If developed to full scale, it's estimated that burning the gas from Beetaloo would produce 1.1 billion tonnes of carbon dioxide equivalent over its lifetime. That is the equivalent to Australia's largest coal plant, Eraring operating for more than 95 years.

Recent reports in the media have identified two of NAB's oil and gas clients pipeline company, APA Group, and oil and gas giant, Santos, as key stakeholders that could be critical in fast tracking the development of the Beetaloo Sub-basin beyond its pilot phase.

Santos has interests in the Beetaloo basin. APA is proposing to build several large scale pipelines that would unlock Beetaloo's fracked gas. In the last year, NAB was a lender to both APA Group and Santos.

So I want to reiterate that this is the biggest proposed gas development in Australia and additionally, the vast majority of this gas is intended for export overseas, not for domestic use. So my first question is, what due diligence is NAB doing on its fossil fuel customers future expansion plans?

Philip Chronican: So both – well, sorry, in the first instance, our oil and gas customers are subject to the customer transition plan assessment framework that we'll be implementing next year and that is the time at which we will be making that assessment.

We set out that, I think it's about three years ago, we set out a glide path for reducing our exposure to the oil and gas industry and we're currently – our exposures are below the levels that we initially set out in those targets.

So it is an issue that we are addressing. I am in the position you have to appreciate where I cannot speak, even though you might be able to, I cannot speak about any individual customer by name and I won't be able to do so today.

I'm sorry about that, but it is certainly part of our understanding of – sorry, it's part of our customer transition planning process, as we will be looking at our customers and the alignment of their plans with the goals of net zero and 1.5 degrees in the future. So that is something we are looking at.

Jo Dodds: (Shareholder) Thank you Mr. Chair. If I can ask a second question, which is, when doing these assessments, do you look at what levels of warming in Australia?

Philip Chronican: Effectively, yes, I think is the correct answer there because we look at the various scenarios that are provided under the Science Based Targets Initiative and other initiatives that provide sectoral guidance and we look at the alignment of our customers' plans with those glidepaths. That is the framework that we use to look at it. Thank you.

Jo Dodds: (Shareholder) Thank you and I appreciate that. If I could have a word about urgency. I've watched way too many of my friends and neighbours lose everything they own, every single thing that is precious, every single identity and financial document and their homes, which are their biggest investment and safest place.

I have seen the place where I live changed beyond recognition. I've lived for weeks and weeks under the pall of smoke, the skies turning from red to black. The air unbreathable and the heat unbearable. I've heard experts warn that this is just the beginning of the escalation in climate-related disasters that Australians can expect to experience in the near future. For those of us already impacted, this is devastating news.

It means we cannot put our losses or our fears behind us and move on. We know that the next disaster is only one hot, one windy day away and the stress is destroying people. Personally, although I have not yet lost my home, I live every single day contemplating a future in which I do, because emissions continue to rise and the damage to climate systems continues to escalate. This means the risk to my home and all of yours is accelerating.

Reductions are urgent. When I see NAB invest in companies such as Santos and APA, companies with interests in the mining and transport of gas in the Beetaloo Basin, I cannot describe the depth of my despair because every cent invested in coal and gas is an

investment in the destruction of my home and those of my friends and neighbours and family again.

The significance of this may not mean much to you today, not yet. But one day it will be you or your daughters or sons kicking through the ruins of everything they have worked for. Please don't wait until that day to do the right thing by them. When you step outside the air-conditioned comfort of this hall or your Boardrooms, please think of the people across Victoria just this week or experienced temperatures in excess of 46 degrees.

I'll be here today, all day and happy to speak further with any Board members. But I would particularly welcome and opportunity to speak with CEO, Andrew Irvine, and I very much thank you all for hearing me out today.

Philip Chronican: Thank you. Microphone number 2.

Moderator: Chair, I'd like to reintroduce Jim Schembri.

Jim Schembri: (Shareholder) Hi, this is obviously a very emotive and important issue. Just in perspective, there's been a lot of mention about the Paris Climate Agreement. The Paris Climate Agreement is in a very, very fragile state and I would suggest that the issue be revisited in a year when hopefully the Paris Climate Agreement is in a much more secure position. It might not survive the year, so all of this discussion might be academic.

I just wanted to make the point that we seem to be referring to the Paris Climate Agreement as some sort of gold standard, as though it's written in stone. It's not and might be on the verge of collapsing. An important issue, to be sure, but perhaps better to revisit this issue in a year's time. Thank you.

Philip Chronican: Thank you, I appreciate the point you're making. Microphone number 1.

Moderator: Chair, I would like to introduce Peter Lake.

Peter Lake: (Shareholder) Thank you. Good afternoon to the Board, to – I think that was Jim that just spoke, may I say the Paris Agreement might be in peril, but it doesn't change the issues. We have a climate emergency. I hope the Paris Agreement or something like the Paris Agreement will continue and get stronger.

My name is Peter Lake, I'm a grazier from the New South Wales Northern Rivers region and I'm a NAB customer. I've seen the impacts of climate change firsthand. We've seen record fires, record floods and droughts have impacted my business and I'm deeply concerned that it will continue to get worse and become harder to adapt to. Flooding on my farm has made my farm insurance unaffordable.



I'm part of Farmers for Climate Action, which represents over 6,000 farmers Australia wide and includes 45,000 Australians committed to climate action for agriculture. NAB is Australia's leading agribusiness Bank, proudly claiming to support one in three of Australia's 85,000 farm businesses and rural enterprises. Yet as one of NAB's customers, I'm suffering because of climate change. To stop the cost of climate change going higher, we need urgent action to reduce emissions, including from coal, oil and gas right now.

Your financial support for companies developing new coal, oil and gas projects is completely at odds with your support for Australian farmers. It's people like me who bear the cost of climate change. I bear the cost of rising insurance premiums, days lost in natural disasters and lost productivity. What's going to happen to farmers like me if your clients' proposed fossil fuel expansion projects go ahead?

Philip Chronican: Thank you. I can just reiterate the points I've made, which is we are not expecting massive expansion and we've said that we're not financing new gas projects. It is true, we have some existing exposures to some oil and gas companies and I should say here gas, because actually I think we have next to nothing on oil. Very small in the context of our overall book and the work that we've done over the last year has been to address the emissions intensive sectors that are of significant importance to our business, which includes transport, real estate, because this is where our financing activity is quite material.

We share your concerns on the climate and the urgency around it, there's no doubt about that. I just want to put it into context that out of about \$1,000 billion of credit exposure, the total oil and gas at the moment is less than 0.2 of 1% of that, so these are very small issues in the context of the NAB business, even though they might be material in terms of the emissions profile. But agriculture is a massive issue for us and we share your concerns.

Peter Lake: (Shareholder) Thank you and notwithstanding that relative significance as far as NAB is concerned, on a project-by-project basis, supporting further development of fossil fuels, which you proposed to do off into ad infinitum into the future if I read your climate report correctly, that is the issue. If we continue to develop further fossil fuel, we know that we will fail, we'll fall short of our worst-case scenario, which is the 1.5% increase in global temperatures. Will NAB commit to doing its part and cease financial support for the companies fuelling climate disaster with their coal, oil and gas expansion plans?



Philip Chronican: What I've said is our commitments are set out in the Annual Climate Report.

Peter Lake: (Shareholder) Yes, okay, thank you. I've read the report and I must say that in itself is something of an achievement.

Philip Chronican: It's a bit of work, I'll share that with you, yes.

Peter Lake: (Shareholder) It's a very difficult document to read. I'm sorry, but my perception of that is that it's a green flag, it's giving you – it's giving NAB the right to continue profiting from the further development of fossil fuel and fuelling our climate crisis ad infinitum. I see that as a green flag on a stake that you're driving into my grandkids' hearts. Thank you anyway.

Philip Chronican: Thank you. Microphone number 2.

Moderator: Chair, I'd like to reintroduce Carol Carney.

Carol Carney: (Shareholder) Thank you Chairman and panel. I was just wondering whether you were going to answer my question about the risk that is being put on our communities by the continued funding of the fossil fuel industry and how your analysis of whether that's worth continuing to do when the risk – we're feeling it now, we're living it now. It's devastating.

Philip Chronican: Yes, I can't say anything more than I've said, which is we understand the importance of the issues and that's why we have a climate plan to reduce our exposure to these sectors over the timeframes that we've set out.

Carol Carney: (Shareholder) Yes, it's really urgent that we just stop it.

Philip Chronican: Thank you, understand.

Carol Carney: (Shareholder) Thank you very much.

Philip Chronican: Thank you. Microphone number 1.

Moderator: Chair, I'd like to reintroduce Kyle Robertson of Market Forces.

Philip Chronican: Thank you.

Kyle Robertson: (Market Forces, Analyst) Good afternoon, Mr Chronican.

Philip Chronican: Kyle, how are you?

Kyle Robertson: (Market Forces, Analyst) Good thank you, how are you?

Philip Chronican: Very well, thank you.

Kyle Robertson: (Market Forces, Analyst) I've got a general question and because it's general, I hope you'll be able to answer it.

Philip Chronican: Yes.

Kyle Robertson: (Market Forces, Analyst) Does NAB accept that probably the most crucial part of fossil fuel clients' climate transition plan is it being able to demonstrate that it plans to reduce the production of coal, oil and gas?

Philip Chronican: The most significance source of carbon emissions are fossil fuels, so coal, oil and gas are central to that. Is that your question?

Kyle Robertson: (Market Forces, Analyst) Well my question is basically if a company approaches you and doesn't have a plan to reduce its coal, oil and gas production, in fact it might even plan to increase its coal, oil and gas production, given what the science says, is that going to be a dealbreaker for NAB?

Philip Chronican: I think under the framework we've articulated that would fail to meet our requirement to have a plan beyond our tier 4 and therefore we would not be providing new financing post 2025.

Kyle Robertson: (Market Forces, Analyst) So just to be clear, you can say today that if a company approaches you after October 2025 with plans to increase coal, oil and gas production, that would be a limited transition plan and you'll be refusing finance to them.

Philip Chronican: I believe that's true. I just want to be careful, because we've set out the wording that does say what we're doing and you're asking, I have to check with the lawyers as to whether the wording is the same, but the intent is that if they don't have a plan that's aligned with those goals, that we wouldn't provide financing.

Kyle Robertson: (Market Forces, Analyst) Yes and basically that's our understanding of what limited would be and I think the world's climate scientists would agree that any plan that involves...

Philip Chronican: I think that's right, yes. I think that's fair.

Kyle Robertson: (Market Forces, Analyst) Yes okay. Thank you.

Philip Chronican: Microphone number two.

Moderator: Chair, I'd like to reintroduce Michael Sanderson.

Philip Chronican: Thank you.

Michael Sanderson: (Shareholder) I wasn't going to comment on this one, but RBA changes recently, there was section 11 and section 36. Section 11 gives the Treasury the ability to overturn decisions of the RBA. However, section 36, I think the climate activists in the room should take note of this, section 36 allows the RBA to direct banks on areas where they can lend. Would it help the Bank if the RBA directed you not to lend to fossil fuel companies or would that be of assistance?

Philip Chronican: I don't really want to comment. The issue – I think the RBA actually sought to have that power taken away from them because they no longer regulate banks and that was itself an issue as part of the legislative change. The people who regulate the banking system is the Australian Prudential Regulation Authority and that power in the *Reserve Bank Act* dates back to when the prudential regulation was part of the RBA's mandate, so I don't think it's an operable section of the Act at the moment.

Michael Sanderson: (Shareholder) Notwithstanding, it's still there and public outcry made sure it is still there, but it does exist. Another quick question on your carbon footprint as a Bank. At a recent Westpac one, they were – and I don't know whether you do the same thing, they were crowing about how they're reducing their carbon footprint by closing branches.

They ignored them and I use Coober Pedy as an example, where customers had to drive 500 kilometres each way, 1,000-kilometre round trip to do their banking because they no longer had a bank in town. So, in other words, what in effect the Bank has done is shifted their carbon footprint from them to somebody else and possibly increased it.

The other thing is big data. Banks are moving over to things like AI and storing a lot of stuff online. I think Microsoft recently is firing up a, or having a closed-down nuclear plant fired up to power their data centres. Nuclear is a clear source, however I'm quite sure there are data centres around the planet that are running on fossil fuel plants. Does your digital revolution contribute to the carbon footprint of the planet? I suppose would you reduce your footprint by keeping branches open and going nondigital?

Philip Chronican: That's got issues in itself, but I can promise you one thing which is we wouldn't be claiming carbon benefits from branch closures. I don't think that makes a lot of sense. You do raise an important issue though which is that the move to digital economy is increasing the demand for electricity and it's important that that electricity comes from renewable sources and not from fossil fuels, so thank you, I agree with that point.

Michael Sanderson: (Shareholder) Thank you.

Philip Chronican: Microphone number 1.

Moderator: Chair, I'd like to introduce Rachel Deans.

Rachel Deans: (Market Forces, Analyst) Thank you. I am asking this question on behalf of CELCOR which are an organisation from Papua New Guinea, but I work at Market Forces. Your Bank finances Santos, which is part of the Papua LNG Project. The Papua LNG Project will affect an estimated 12,000 people, 48 newly discovered species and take place near communities that are already displaced by climate chaos and face serious human rights concerns, including on free, prior and informed consent. Some landowners impacted by another Santos LNG project in Papua New Guinea haven't been paid for compensation 10 years later.

Under the United Nations guiding principles on business and human rights, your Bank is accountable for what you finance via corporate loans. My question is, have you calculated how much the Bank could be liable for if requested to pay redress and remedy for human rights abuses linked to the Papua LNG in future and corporate loans to Santos?

Philip Chronican: I'm pretty confident the answer will be no to that, that we've done no evaluation of the Papua New Guinea projects. No. I don't think we have any intention of being involved.

Rachel Deans: (Market Forces, Analyst) Thank you and just on that, given NAB has received a human rights complaint relating to another one of its corporate loans to Santos just last year, is the Board worried that this ongoing relationship and we're talking about Corporate finance, I understand project finance is different, will do intense damage to NAB's reputation on human rights?

Philip Chronican: I can only repeat that I can't talk about an individual customer by name at these meetings, so I'm afraid I cannot engage in that conversation. But we are very conscious of the human rights issues that are at play in all resource developments, indeed a wide range of different developments and the Board has been regularly briefed on the human rights issues involved.

Rachel Deans: (Market Forces, Analyst) Thank you very much.

Philip Chronican: Thank you. Microphone number 2.

Moderator: Chair, I'd like to introduce Joanna Richardson.

Philip Chronican: Thank you.

Joanna Richardson: (Shareholder) Thank you. I'm afraid I haven't looked at the Climate Report, but in the report does the Bank take responsibility for the emissions it funds or provides funds to other companies to enable?

Philip Chronican: Take responsibility is an interesting term. What we have committed to doing is analysing and disclosing what we call financed emissions, that is, the extent to which our finance supports those emissions and we publish that and then we – for those that are emissions intensive, we set targets to show how they'll decline through time. That is what's published in the Climate Report. So, yes, it is in there. Microphone number 1.

Moderator: Chair, I'd like to reintroduce Rita Mazalevskis.

Philip Chronican: Thank you.

Rita Mazalevskis: (Shareholder) I think I would be fair to say that as well as customers who have had their lives destroyed through irresponsible lending, the climate impacts are just as devastating. Last year after the AGM Ross McEwan came and had a chat to me and he said straight to my face that if these customers for fossil fuel lending go somewhere else, they'll get the loan somewhere else, so that's why we give them the loan. They were his words. I want to know if the current CEO is of the exact same view.

Andrew Irvine: Look our view is that we want to reduce the intensity of our credit book and we've articulated decarbonisation pathways across virtually all sectors that we bank except for agriculture, which we will do when we have a critical pathway. My views are consistent with that articulation in the Climate Report.

Rita Mazalevskis: (Shareholder) Okay, so does that mean that the pathways to improve these, to go away from fossil fuel lending, have been delayed or much slower uptake by NAB because of the previous CEO's views?

Philip Chronican: No, we adopted the pathways about three years ago for the oil and gas sector and we've not changed them in that timeframe.

Rita Mazalevskis: (Shareholder) Okay.

Philip Chronican: Thank you.

Rita Mazalevskis: (Shareholder) Just one more thing, at the beginning of this resolution, 5A and B, I just popped out to go to ladies and get a coffee...

Philip Chronican: You're luckier than me.

Rita Mazalevskis: (Shareholder) ...but I was very – well anyone can do that, but I was very disturbed that at the beginning of this resolution that there was a large number of police that came into the room and were called into the room and passed me as I was walking out. So I just want to know what it is about this resolution that warrants a large group of police, law enforcement to be here and they were all lined up there and a lot of the staff came and lined up, so they came from everywhere and I thought something had happened. But when I came back, nothing had happened.

Philip Chronican: Don't know.

Rita Mazalevskis: (Shareholder) I mean climate people are shareholders as well; I don't understand why there's this heavy handedness to do with this item.

Philip Chronican: No, I'm not aware what the police were doing, so that's...

Rita Mazalevskis: (Shareholder) The Bank didn't ask the police to come in here? There was at least eight that I passed.

Philip Chronican: I don't know. I haven't been out the front, so I haven't seen them.

Rita Mazalevskis: (Shareholder) Because I find it weird that they would come into a private event unless they were called to.

Philip Chronican: Well, the police are in charge of security at various events and where there's...

Rita Mazalevskis: (Shareholder) Yes, but eight come all at once...

Philip Chronican: I don't know, I genuinely don't know.

Rita Mazalevskis: (Shareholder) ...to this resolution?

Philip Chronican: I've been on this side of the stage; I haven't been out the front.

Rita Mazalevskis: (Shareholder) Yes, it just looked very heavy handed and we're at an AGM and we're shareholders and there's a lot of impacted people whose lives have been destroyed by impacts of climate change and having that kind of representation is very intimidating.

Philip Chronican: Thank you.

Moderator: Chair, I'd like to reintroduce Paul Herman.

Philip Chronican: Thank you.

Paul Herman: (Shareholder) Thank you. My understanding is that we've already reached 1.5 degrees, on many years we actually trip over 1.5 degrees. I just wanted to know where does the Bank see the increase in warming going to? Do you expect it to go to two degrees, 2.5 degrees, three degrees? I'm really deeply concerned hearing that the NAB is funding Santos and APA, I know that you're not going to comment on that, but I'm just really concerned that NAB as a corporate citizen is acting too slowly, like the rest, like governments and other corporations and that it really jeopardises customers, businesses, the Australian community and the next generations of which many of us have children.

Philip Chronican: Thank you for that and I would say one thing, we don't have a forecast of – I mean we're just not capable or competent to have our own forecast of what global warming is. We're totally reliant on numbers that came out of international bodies like the Intergovernmental Panel on Climate Change and other such bodies. We read the same material that I'm sure you do and it concerns us.

Paul Herman: (Shareholder) I'm sure that they've got estimates of where we're going to go. I haven't seen any recent estimates. I have seen from time to time estimates and I just – I'm really deeply concerned as a lot of people are who follow the science.

Philip Chronican: Thank you, I understand.

Moderator: Chair, I'd like to introduce Allison George.

Philip Chronican: Thank you.

Allison George: (Australian Ethical, Analyst) Good morning, Chair, Board. Australian Ethical co-filed these proposals this year as we did last year because we see an urgent need for the Banks to be putting robust mechanisms in place to follow through on their commitments to align their lending with Paris, will still be the science even if the Paris Agreement falters.

You mentioned – sorry, this year the proposal did receive lower levels of support than last year and I think that that reflects the strong engagement and progress that the Bank has made and I want to acknowledge that. But equally, 15% I think you put on the slide before of proxies pre-lodged, represents quite a substantial minority of shareholders, expressing a strong view given the dampening effect that weighs over these kinds of votes for the fact that they're not Board-endorsed and the way the proxy advisors tend to recommend on them, I think you could take that as strong and considered views of a substantial number of shareholders who would like to see more.

You mentioned a willingness to consider extending requirements along the value chain. My question is whether or not you would also consider extending them to a greater group of customers by adopting a tighter definition of what they apply to.

Philip Chronican: Maybe I could just comment on that particular part of it. Over time, we will be extending it. The framework will be extended to the whole of our portfolio. Each year as we update, it's based on the availability of information. The availability of the target pathways, so it's ultimately the whole of the Bank's exposures need to be run through the framework and that's our long term intent, but we can only deal with these issues as we get the data and the tools available.

Allison George: (Australian Ethical, Analyst) Sure, understand. I suppose while it's laudable to try to get across the entirety of the lending book, there are areas that are more urgent than others and so we would be seeking that the Bank extend those requirements to those oil, gas, and metallurgical coal customers using a broader definition, using a lower revenue threshold. Commonwealth Bank's adopted 15%, science-based targets recommend 5%, we would like to see, and whether you would comment on whether or not that could be considered in the future.

Philip Chronican: Yes. As I said, we're looking to extend it but we've started with the largest and we'll be working our way through.

Allison George: (Australian Ethical, Analyst) Thank you.

Moderator: Chair, I would like to reintroduce Peter Starr.

Peter Starr: (Shareholder) Thank you, Phil. I happen to take a differing view to this question in relation to 5 on behalf of shareholders, and I'm thinking about how the Bank makes the profit and everything, which in turn helps us as shareholders, and my clients, and the other mum and dads in the room who are shareholders. So, just a couple of things.

One of the ladies that was speaking was talking about Papua New Guinea. Well, I'll just enlighten people in the room. Last week, the Papua New Guinea Trade Minister – there was a conference here in Sydney, I don't know if anybody attended, but I certainly was invited.

Let me tell you, I happened to speak to the Trade Minister for Papua New Guinea and I asked him, are you opposing all this development that's coming into the country and what it will mean for your people, and he said absolutely not. I said well, a strange thing going



on here in Sydney, I think, everyone telling me that – he said, no, no, that's not the case. I said well, thank you very much.

Secondly, I remember some years ago the famous Dr Tim Flannery, don't see him here, but he was the one that was telling me there'll be no more rain in Australia, we'll be in drought, oh, the place will go to ruin. So, well, don't know, last two days in Queensland when I was there a week ago, mate, you needed umbrellas, it was rain everywhere. Warragamba Dam, they've had to let water out.

I think sometimes this issue gets overdone. I have confidence in the banking institutions where they lend their money to give us good returns and I think that's where these things need to stay is with the Board of Directors and with Andrew and his Chief of People because that's where it should stay.

Philip Chronican: Thanks, Peter. I just want to reemphasise that in the longer run our business is going to thrive if we're in a healthy environment and a healthy culture, and I've made that point several times in the past. So, it is important that we are cognisant of climate change so I take your point, Peter, that it's going to be an important part of the future is the climate.

Peter Starr: (Shareholder) That's a given, Phil. That's a given.

Philip Chronican: Well, it is important.

Peter Starr: (Shareholder) I just think that – I guess I'm lucky that we're not having Casanova Bowen run for the Board.

Philip Chronican: Yes. Thanks, Peter.

Moderator: Chair, I would like to reintroduce Jo Dodds.

Jo Dodds: (Shareholder) Thank you for the second opportunity to speak, and I note there's been a lot of speakers who have had more than two opportunities thus far...

Philip Chronican: Yes, there are.

Jo Dodds: (Shareholder) ...today, so thank you, nevertheless. I note the previous speaker mentioned that this speaker gets overdone and I would invite them to come to my community who have had three major fire events in just a very short amount of time and say that, because when you're living in the climate impacts it is a very different circumstance to speaking like this in this air-conditioned room.

I can – it's difficult for someone like me who has been witness to this and who has a supporter base and membership and community around me who think very similarly to the way I do because our lived experience, not because we're making this up or because we're trying to cause issues about a pet project or something. We are talking about our lives and your lives, and I do wish that some people would take that more seriously.

I have a question here, and I'm not sure whether any of the Board members have had a look at the Domain property bushfire risk report recently came out on the risks to Australia's property market, and my questions arise in part from the contents of this report and in part on my own experience of insurances rising around 30% per annum and more and also the possibility and the experience some people have of no longer being able to insure their properties. NAB as a lender to mortgagees and how NAB might be responding to the issue that as properties become deemed as no longer insurable, what this does in terms of stranded assets, how NAB is planning on supporting the customers who may end up with stranded assets as a result of those insurance problems.

I would also like to ask that don't any fossil fuel lendings, no matter how small they are, work directly against the interests of your mortgage holders when they are already struggling with cost of living and they're now struggling with these insurance rises, and there are others amongst us who are struggling with the fact that if we can't get properties insured those properties are not saleable to people who require mortgages. How does the Bank sit with that?

Philip Chronican: Thank you for that. Actually, the issue of insurance is something we have discussed at some length at the Board because we are aware of those issues. There's a process that we engage on that's encouraged by our regulator called a climate vulnerability assessment where we actually go through and look at all the ways in which climate will be affecting the assets that underpin our lending, so we actually do that analysis as part of our annual risk review process.

Again, it's an issue that we understand and we do take seriously, and we have work underpinning it to make sure that we can manage our overall loan portfolios in the face of what is clearly going to be an impact from climate change. Thank you.

Jo Dodds: (Shareholder) Could I just ask a couple of supplementary questions? Is the Board aware that over – I think it's over 50% of Australian properties are now at increased bushfire risk in terms of insurance?

Philip Chronican: I'm not aware of that number but...

Jo Dodds: (Shareholder) And my second question, is the Board aware that Australia's most bushfire risk capital city is in fact Hobart? I can see some heads nodding and that gives me some reassurance that you...

Philip Chronican: Somebody must know.

Jo Dodds: (Shareholder) ...are watching this closely.

Philip Chronican: It's true. We've got our resident scientist here so thank you. Thank you. I'm going to take a break from these questions now and ask Virginia if there are any questions online.

Virginia Porter: Chair, we have one question from Mr Stephen Mayne. I've never understood why Australian Boards continue to resist opinion-based resolutions when these are standard in the United States. What is so wrong about a group of shareholders putting up a resolution that expresses an opinion? Instead, we effectively have a Board monopoly over what resolutions are put up. Shareholder resolutions are a great way to gauge shareholder sentiment.

Climate campaigners are now getting around this restriction with the contingent resolutions model, so why not just embrace this constitutional amendment? You won't be deluged with resolutions because it will still have the significant obstacle of requiring support from 100 shareholders or 5% of the ordinary shares, whereas in the US any single shareholder who has held US\$2,000 worth of shares for more than 12 months can put up an opinion-based shareholder resolution. Why are you recommending against this amendment which would give greater power to shareholders?

Philip Chronican: We've explained, in my introductory comments, as to why we don't agree with that. It's been something that's been considered deeply by the Board and we feel that the purpose of the Annual General Meeting, which is to deal with issues of shareholder substance, including the performance of the business, the Remuneration Report, and related areas is the proper business of the meeting, and that the complications of shareholder resolutions are unhelpful and therefore we do not support it, and it's set out in writing in the Notice of Meeting. So, thank you for that. Virginia, do we have any other questions online?

Virginia Porter: Chair, there are no further questions online.

Philip Chronican: Thank you. Are there any further questions in the room – and I am going to point out here that we are coming to the end of our meeting, so we'll take one more question from microphone 1.

Moderator: Chair, I do have one final question here from Spiro Arkouzis.

Philip Chronican: Thank you, and then we will close. Thank you.

Spiro Arkouzis: (Shareholder) Mr Chairman, I didn't want to get involved in the politics of energy, coal, gas and renewables but I think these questions have come up far too often. Now, there are reports globally and it's been quite clear that the renewables will not be able to be able to keep up with the demand of the power that's required around the world. Now, the oil and gas industry we're trying to wind down. I understand this is – these are reports based by professionals. I'm encouraging people to read what's out there and not just to listen of what others say.

It's important that we are aware that we are in a position where there is still coal and gas. Unfortunately, I know that that's not the favoured power but renewables are going to cause a lot of problems where it can't keep up with the demand. Now, if we're looking in 20, 30, 40 years' time we might be lucky at that time but in between now and then we've still got to provide a service. We've still got to provide power, we've still got to keep people safe. I'm asking you, Mr Chairman, and Andrew what are your thoughts on that?

Obviously, you may have read those reports as well.

Philip Chronican: Yes, and we're trying to work in conjunction with Australia's Nationally Determined Targets, which are to see significant reductions by 2030 and then net zero by 2050 and renewable energy will be an important part of that. But again, I stress, the purpose of our climate report is to set out what we are doing, which is to support the move to renewable energy and support it in a way that enables activity to continue. Thank you.

Spiro Arkouzis: (Shareholder) Just to finish off, we can't disadvantage our communities in Australia or abroad by not providing the right services to keep people in their homes, to keep people alive in the hospitals, and so where we've got community saying, please don't fund these coal and gas and oil, what do we say to the people if they can't get the service?

Philip Chronican: That we plan to invest in the things that can provide those services, and that's what we're doing.

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

Andrew Irvine: Thank you.

Philip Chronican: Thank you. That brings this Item of Business to a close. Shareholders, I'm now formally putting to you Item of Business 5A, as set out in the Notice of Meeting. Could you please record your vote now if you've not already voted? Based on the results of proxy and direct votes, we're able to determine that this resolution has failed. As Item 5A was not successful, Item 5B will not be put to the vote. That now covers all of the formal business of the AGM. I'll just check if there are no more general questions. Otherwise, we can bring this meeting to a close. I do have a general question at microphone 2.

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

Philip Chronican: Michael, can I just warn you, you've had a lot of opportunity, so you'd better make this quick.

Michael Sanderson: (Shareholder) I'll be as quick as I can, but I'll point out, S250 of the *Corporations Act* requires the Chair of an AGM to allow reasonable questions and comments...

Philip Chronican: We've – reasonable questions.

Michael Sanderson: (Shareholder) ...and it is an offence under strict liability, under Section 6.1 of the *Criminal Code*, not to do so.

Philip Chronican: Thank you.

Michael Sanderson: (Shareholder) I've sat back, I could have jumped up earlier, deliberately, in respect to what you – I've got three issues – they're all macro issues that relate to the financial sector – I'd like to address. My first one here is – I've lost my spot now. Because the four major banks are deemed to be too big to fail, they enjoy a borrowing advantage over smaller banks due to government guarantees. The RBA has calculated this advantage to be worth \$3.6 billion per year.

Twenty years ago, in 2004, at a bank branch close inquiry, the banks gave assurances they would close no branches. Twenty years and \$72 billion windfall later, the banks' strategy is to continue to close banks, to lie and to play the long game. If the Federal Government put people first and replaced too big to fail with not too big to nationalise policy, and at the same time reestablished a public bank using Australia Post network to restore services, how would this affect NAB's business model?

Philip Chronican: That's such an open-ended question, I think it's hard to know how that would affect the business model. But presumably, it would mean that some people would bank at that other bank. I think we saw that happen in New Zealand.

Michael Sanderson: (Shareholder) I think you did. I think you stopped closing branches too. For the following six years, I believe. The next one – I'll rattle through these fairly quickly. I'm going to concentrate on the financial sector, but the following comments are just as relevant to the mining, energy, health, education, utility, et cetera, et cetera. The players are different, but the issue is the same, in relation to the revolving door.

Many bankers have moved from banking to politics. For example, Malcolm Turnbull, PM. Josh Frydenberg, Treasurer. Kelly O'Dwyer, one of yours. Instrumental in setting up AFCA. Sir John Key, New Zealand Prime Minister. Mike Baird, one of yours. And from politics to banking. For example, Joe Hockey, John Dawkins, both treasurers. Lindsay Tanner, Andrew Robb, Anna Bligh. To finish the revolve, Sir John Key's and Mike Baird revolved back into banking from politics. The audacious Simon Birmingham, still in Parliament, has accepted a position with ANZ.

Let's not forget the public service to banking. Examples are Glenn Stevens, RBA. Wayne Byres, APRA. [David Morgan], Ted Evans and Ken Henry, who was involved with this Bank, came from Treasury. A high-profile practising expert in his field stated, fascism should rightly be called corporatism, as it is a merger of corporate and government power. That expert was Benito Mussolini.

Would that Board agree that the above examples demonstrate that fascism is alive and well in Australian banking and the market generally and does not serve the good public purpose? Would it be – would it not be in the interest of all concerned that Boards be mandated to include worker and customer representation, like Germany and France?

Philip Chronican: No.

Michael Sanderson: (Shareholder) Probably an emphasis on the last question would be – we have a situation in the – Germany and France – and a number of other states around the planet, where it is mandated that Board members come from representation...

Philip Chronican: Yes.

Michael Sanderson: (Shareholder) Which isn't the case here, and I just demonstrated that we get this revolving...

Philip Chronican: No. It's – no, it's not been the practice in Australia, and...

Michael Sanderson: (Shareholder) No, it isn't.

Philip Chronican: ...we've not – we've certainly not formed the view that we should have that.

Michael Sanderson: (Shareholder) You don't think that would be an advantage?

Philip Chronican: I don't think it would necessarily help, no.

Michael Sanderson: (Shareholder) Ken Henry said back in 2018 to a question of mine that the banks only have a limited pool to draw from.

Philip Chronican: Yes.

Michael Sanderson: (Shareholder) Surely, adopting this principal would increase the size of that pool and would be advantageous to the Bank and I suppose shareholders and consumers as well.

Philip Chronican: Thank you.

Michael Sanderson: (Shareholder) Okay? My final one relates to – I'll just find the page, sorry. Regulatory capture. Countless consumers – and I have attempted to contact the Minister Financial Services, Stephen Jones, to highlight the many concerns we have with the banks entry bank-funded AFCA. It would seem he is too busy swanning around with the top end of town to meet with lowly consumers.

Michael Roddan wrote in the *Financial Review*, Stephen Jones is out of his depth, and said, across an otherwise competent front bench, the Albanese Government Assistant Treasurer, Stephen Jones, stands out like dogs' balls. In the six months since he took charge of the Ministry, the member for Whitlam has chewed up the furniture, rubbed his bum on the carpet, cocked his leg over his parliamentary colleagues, the financial sector and the voters of Australia.

Michael Roddan is not alone. Yoni Bashan recently wrote in *The Australian*, Banks play Jones like their fiddle, and said, just try to name another minister who has been more thoroughly played by stakeholders. In Jones's case, his masters occupy the deep leather chairs of the Australian Bankers Association, led by the indomitable former Queensland Premier, Anna Bligh. Not only is Jones wrapped tightly around her finger, but is also – but it is also the worst kept secret in Canberra. We have it on impeccable authority that the RBA all but writes the minister's speaking notes.

Would NAB agree that the inept Jones [has regulatory captured]? Would NAB – and would NAB consider him to be a Board member after politics? Or perhaps nominate him to replace Anna Bligh once she dismounts the golden elevator?

Philip Chronican: I'm not being drawn on that. I'm sorry, Michael.

Michael Sanderson: (Shareholder) Okay. That's it from me. Thank you very much, and thanks for putting up with this.

Philip Chronican: That's all right. Thank you. Microphone number 1?

Moderator 2: Chair, I have a question from Paul Herman.

Philip Chronican: Fine.

Paul Herman: (Shareholder) I just checked Product Review, which does reviews for businesses, and NAB has 1.4 stars, which is – one star is zero, basically. That's very low. 10% of the reviews were from customers – were positive. 90% were negative. I'm just wanting to know what you can do to improve that? Because it is a – it's a fairly small sample size, 1,845. Still significant. It's a reflection on – I don't know why they're so low.

But just referring to legacy cases, in my case, I was treated really ruthlessly by NAB. There's been – it came up before the Royal Commission and during the Royal Commission – many cases of farmers being treated absolutely ruthlessly, and other customers who had a lot of assets that – who were liquidated, very often for not appropriate reasons. One of the cases that I've just been recently reading was Gray Eatwell – Gray and Vicki Eatwell in New Zealand, where National – BNZ was stealing money from their account. That was very prominent in New Zealand, that case.

I'm just concerned, what are you – is there anything that you've got planned that you can do for the legacy cases, for people who, like me, and for quite a few other cases in Australia and New Zealand?

Philip Chronican: I do need to emphasise, we've done an extraordinary amount to resolve legacy cases over the last five years. I'm not sure what else we can do.

Paul Herman: (Shareholder) I guess compensation would be pretty good. I know that...

Philip Chronican: It's difficult to compensate people when there's no wrongdoing been done.

Paul Herman: (Shareholder) I can assure you, there was – there has been a lot of wrongdoing done, and that came up in the Royal Commission. Really, absolutely appalling



behaviour. The Royal Commission was a very short Royal Commission. It was wound up pretty quickly, despite the fact that the Senate requested that it continue.

Philip Chronican: Thank you. Is there any more questions?

Moderator: Chair, we do have a final question here from Jimmy Whitfield.

Philip Chronican: Thank you.

Jimmy Whitfield: (Shareholder) Thank you, Mr Chairman.

Philip Chronican: Thank you.

Jimmy Whitfield: (Shareholder) I will try and keep it brief.

Philip Chronican: That's all right.

Jimmy Whitfield: (Shareholder) NAB has one of the worst gender pay gaps in corporate Australia, and as one of the...

Philip Chronican: Sorry, can I just pick you up there? In the WGEA statistics, NAB had the best gender pay gap of the big four banks.

Jimmy Whitfield: (Shareholder) In corporate Australia.

Philip Chronican: I thought it was pretty good.

Jimmy Whitfield: (Shareholder) What is the Bank doing to address the almost 19% gender pay gap, and what is it doing to ensure next year's result is an improvement and a pathway towards [unclear].

Philip Chronican: The gender pay gap was 15.1%. Most of the other large corporates had it in the 20% range. Actually, NAB's is in pretty good shape. But we are still doing a lot to address – to improve it. Most of the improvement has to come from improving the number of women in the Group 6, the senior roles. That's – or Group 5 and 6 – and that's where our focus is. Thank you.

Jimmy Whitfield: (Shareholder) Also, concern for a lot of colleagues is the implementation of AI...

Philip Chronican: Yes.

Jimmy Whitfield: (Shareholder) ...coming into the finance industry. Not just for security of employment for my colleagues but also the security of financial data and providing a good service to our customers.

Philip Chronican: Yes. The Board also is quite concerned about managing the risks around AI from very much that perspective, so we share that concern. Thank you. All right. Thank you everybody. We don't appear to have any questions online, Virginia? In the absence of that, on behalf of the Board, I'd like to thank you all for coming today. I'd also like to thank our customers and shareholders for their continued support of National Australia Bank.

I'd like to thank my fellow Directors, thank the executive team, and all the NAB people for your hard work and commitment in 2024. To Anne Loveridge and Doug McKay, again, thank you for your service to the Company as Directors over the last nine years. We wish you all the well – all the very best for the future.

I want to now formally declare the AGM closed and confirm that the voting will remain open for a further 10 minutes to allow ample time for shareholders and proxy holders to submit any final votes. For shareholders in the room, if you've written on your voting cards, please place them in the poll boxes that will be circulated by the attendants around the auditorium. Results from the voting will be released to the ASX and will also be available on the AGM page of our website.

I'd also now like to invite shareholders with us in the room to share some refreshments and visit the desks in the foyer, and for customer and shareholder enquiries and information on cybersecurity, scams, digital banking and nabtrade. Thank you, everyone, and I look forward to talking to you.

**End of Transcript**