Debt Investor Update

December 2023

This presentation is general background information about the NAB Group. It is not intended to be relied upon as advice to investors or potential investors and does not take into account the investment objectives, financial situation or needs of any particular investor. Refer to pages 95-97 for legal disclaimer.

Financial information in this presentation is based on cash earnings, which is not a statutory financial measure. Refer to page 169 of NAB's 2023 Annual Report for definition of cash earnings and reconciliation to statutory net profit, or, for US investors, in NAB's 2023 Full Year U.S. Disclosure Document.

Key messages

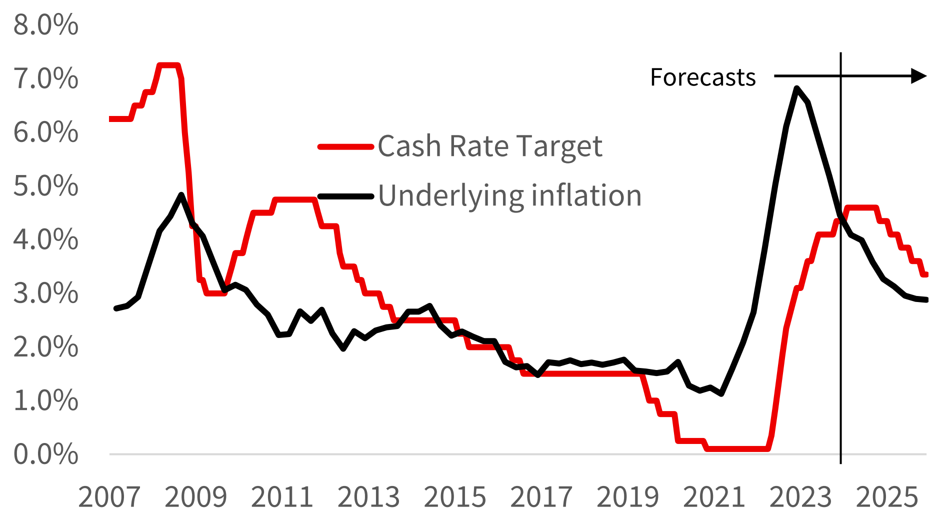
- Strong FY23 financial performance across our businesses
- 2H23 performance reflects a more challenging environment which is expected to persist in FY24
- Balance sheet settings remain prudent
- Strong growth in our core SME franchise, with a more measured approach to growth in Home Lending and Corporate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

Australian economy has slowed but remains resilient

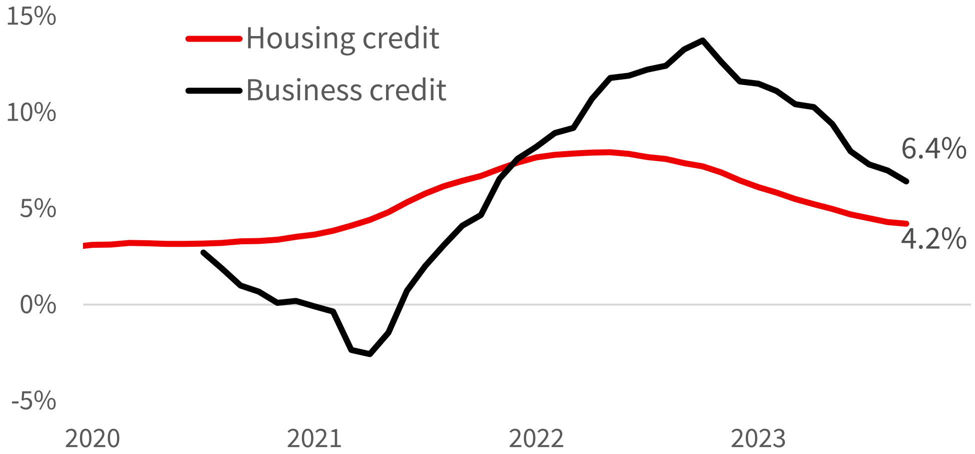
Economic conditions expected to remain soft in FY24

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

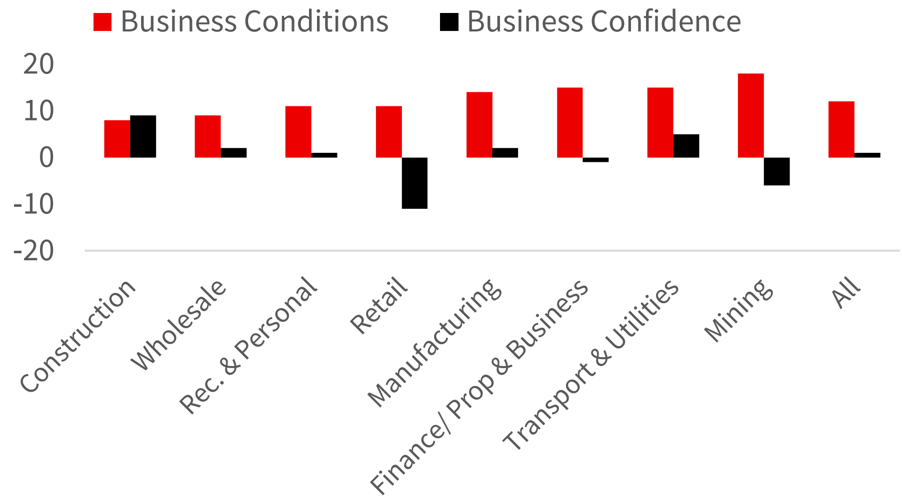
Cash rate expected to stabilise as inflation moderates[1]



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



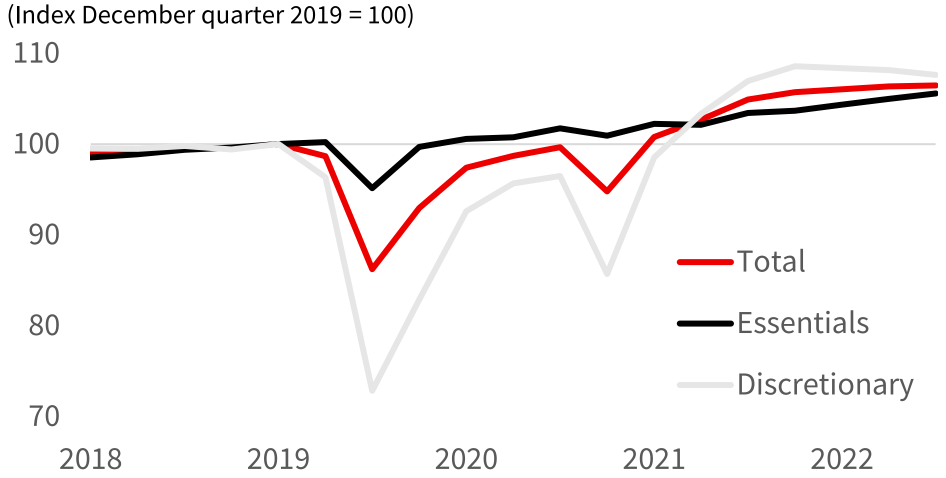
Conditions are high but confidence remains soft[3]



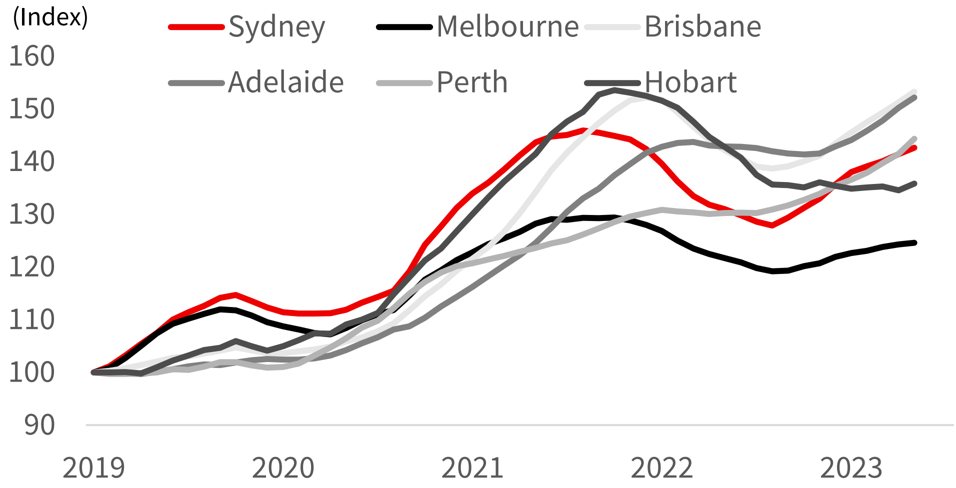
(1) Source: RBA, NAB Economics, Macrobond. Cash rate Data to 2 November 2023, NAB Economics forecasts thereafter, CPI data to September quarter 2023 and NAB Economics data thereafter
(2) Source: RBA Financial Aggregates as at Sep 2023. Rolling 12 months year ended growth. Business lending includes select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

Australian economic trends

Discretionary spending had declined slightly[1]

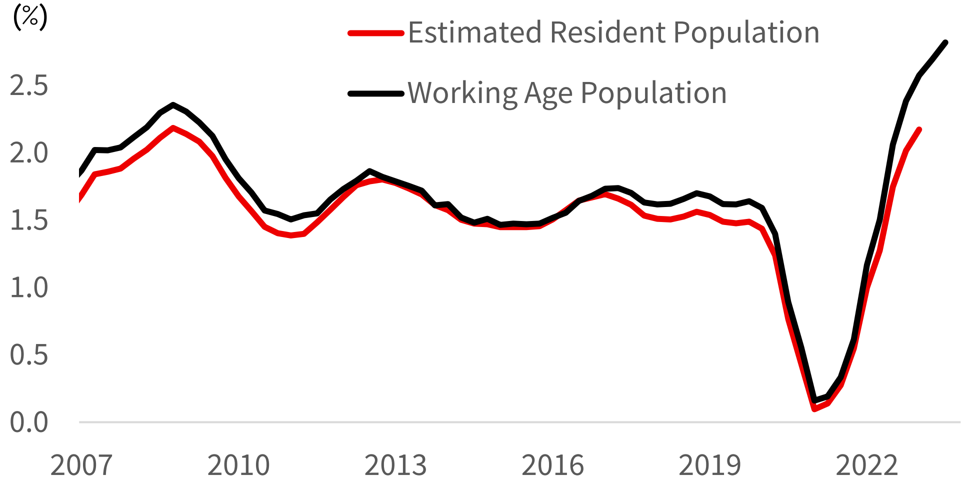


House prices have rebounded[2]



The unemployment rate is very low[3]

Population growth has surged[4]



(1) Source: ABS, Macrobond. Analytical measures of consumption from the quarterly national accounts release. Data to Q2 2023
(2) Source: CoreLogic. Greater Capital City Hedonic Dwelling Price Index, Index June 2019 = 100. Data to 31 October 2023
(3) Source: ABS, Macrobond. Data to Sep 2023
(4) Source: ABS, Macrobond. Headline, non-seasonally adjusted quarterly CPI. Data to Q3 2023

Australia and NZ key economic indicators

Australian economic indicators (%)[1]

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

NZ Economic indicators (%)[1]

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

Australian system growth (%)[5]

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

NZ System growth (%)[5]

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

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

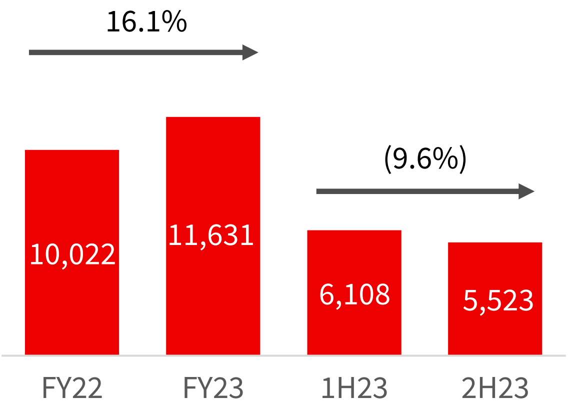
Strong financial results in FY23

Metric	FY23	FY22	FY23 v FY22
Statutory net profit ($m)	7,414	6,891	7.6%
Continuing operations[1]			
Net operating income ($m)	20,654	18,296	12.9%
Operating expenses ($m)	(9,023)	(8,274)	9.1% (5.6% ex Citi and CSLR[2])
Underlying profit ($m)	11,631	10,022	16.1%
Cash earnings[3] ($m)	7,731	7,104	8.8%
Cash ROE[4]	12.9%	11.7%	120bps
Dividend (cents)	167	151	16
Cash payout ratio[5]	67.7%	68.4%	(70 bps)

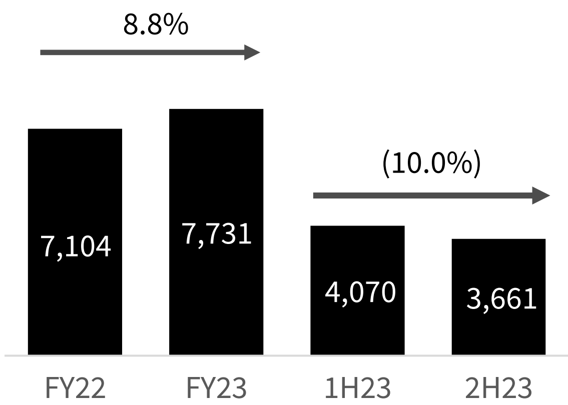
(1) Includes the impact of Citi Consumer Business
(2) CSLR - Compensation Scheme of Last Resort
(3) Full detail on how cash earnings is defined, a discussion of non-cash earnings items and a full reconciliation of statutory net profit attributable to owners of NAB is set out in Note 2 Segment information of the Financial Report on page 169 of NAB's 2023 Annual Report, or for US investors, in NAB's 2023 Full Year U.S. Disclosure Document
(4) FY19 and FY20 ROE exclude large notable items. Statutory return on equity and statutory earnings per share (EPS) are presented on page 106 of the 2023 Annual Report, or, for US investors, in NAB's 2023 Full Year U.S. Disclosure Document
(5) Based on basic cash earnings per share (EPS)

Group Financial Results

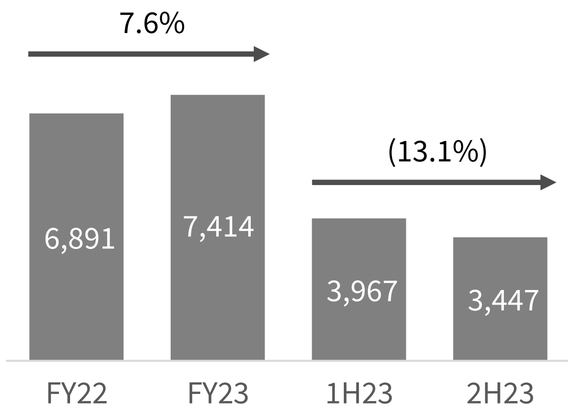
Underlying profit ($m)



Cash earnings[1] ($m)



Statutory profit ($m)



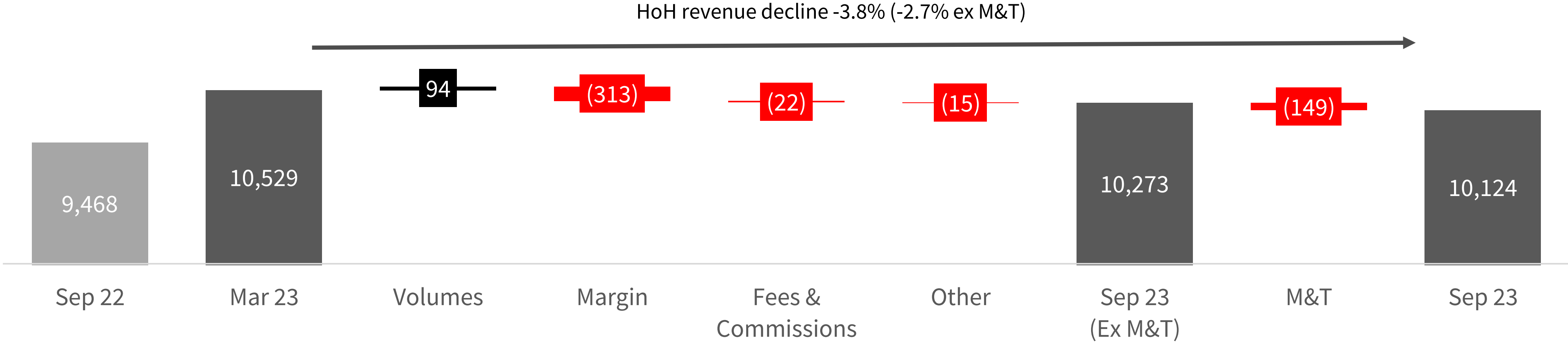
P&L key financial indicators	FY23 ($m)	FY23 v FY22	2H23 ($m)	2H23 v 1H23
Net operating income	20,654	12.9%	10,125	(3.8%)
ex Markets & Treasury	*18,981*	*12.2%*	*9,363*	*(2.7%)*
Operating expenses	(9,023)	9.1%	(4,602)	4.1%
Credit impairment charge	(802)	Large	(409)	4.1%

(1) Refer to page 95 for definition of cash earnings and reconciliation to statutory profit

2H23 revenue impacted by lower margins

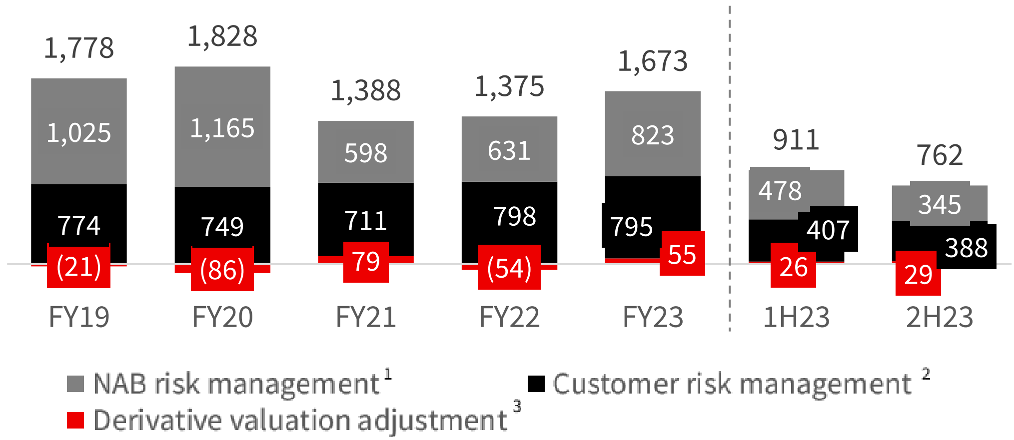
Net operating income (HoH)

($m)



Markets & Treasury (M&T) income breakdown

($m)



Key revenue drivers HoH

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

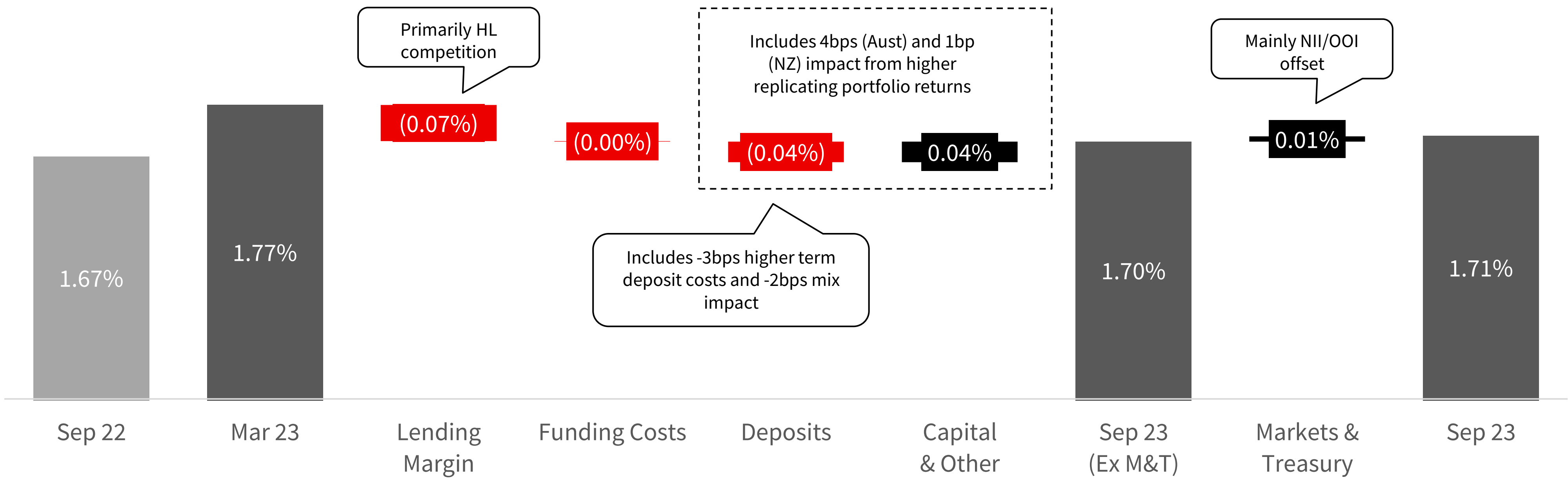
(1) NAB risk management forms part of net interest income and other operating income and is defined as management of interest rate risk in the banking book, wholesale funding and liquidity requirements and trading market risk to support the Group's franchises. Markets forms part of Corporate and Institutional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

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

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

Net interest margin

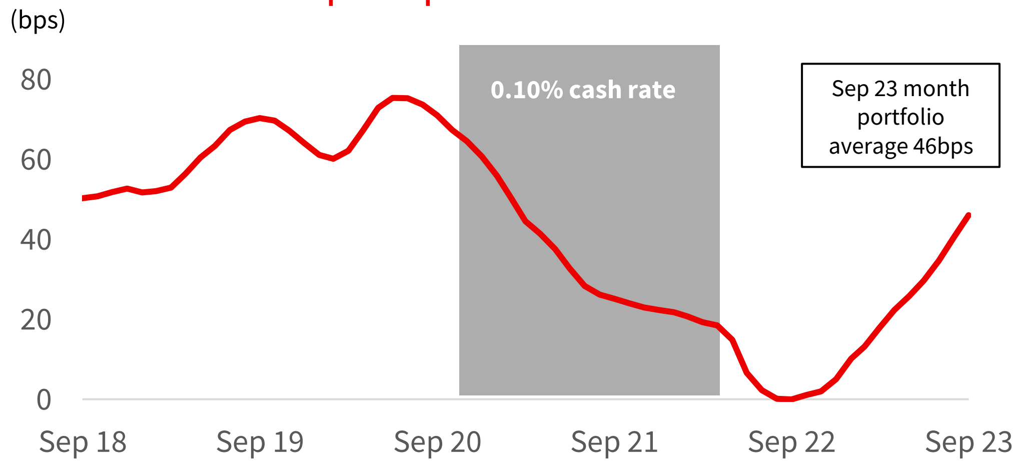
Net interest margin (HoH)



Key considerations for 1H24 NIM[1]

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

Australian term deposit portfolio costs[3]

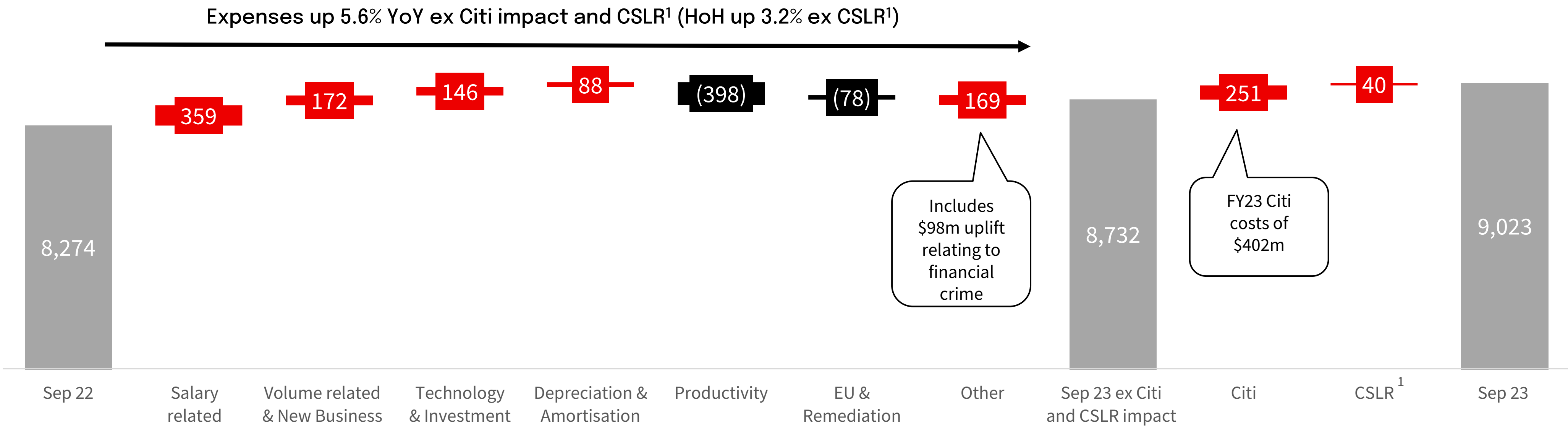


(1) Refer to key risks, qualifications and assumptions in relation to forward looking statements on page 95
(2) Based on current market implied 3 and 5 year swap rates trajectory as of 30 September 2023 for the Australian and New Zealand capital and deposit replicating portfolios respectively
(3) Monthly management data. Total deposit portfolio cost over relevant market reference rate

Operating expenses

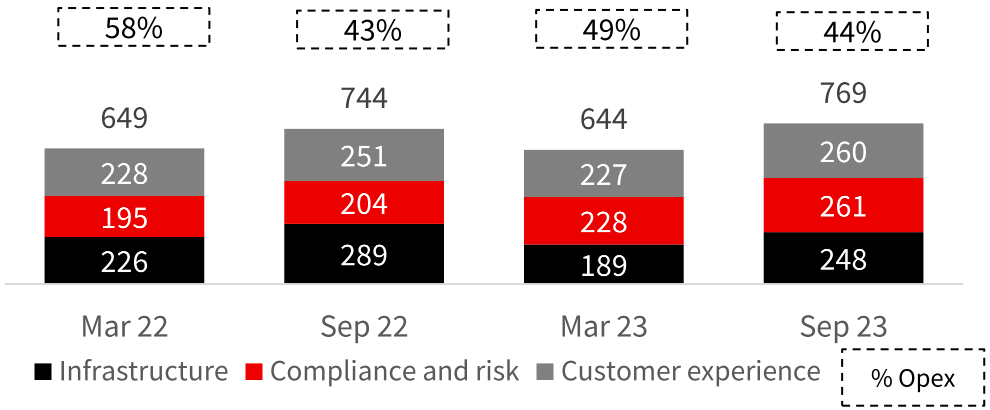
Operating expenses (YoY)

($m)



Investment spend

($m)



FY24 considerations[2]

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

(1) CSLR – Compensation Scheme of Last Resort
(2) Refer to key risks, qualifications and assumptions in relation to forward looking statements on page 95
(3) Excluding any large notable items
(4) Depreciation & Amortisation will be subject to nature of spend and timing of deployment

Maintaining strong balance sheet settings

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

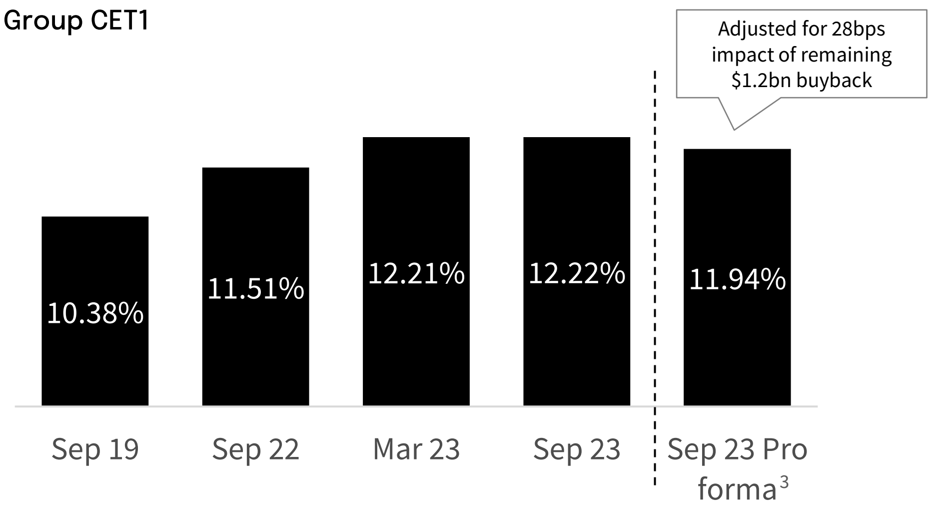
Strong provisioning

CP/CRWA

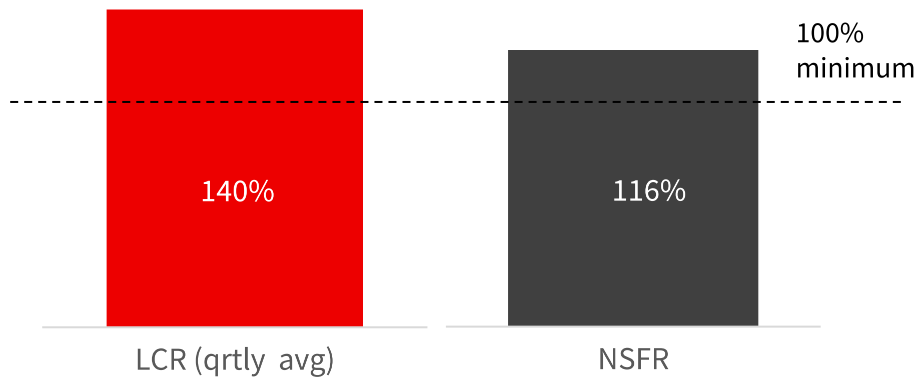
Sep 23 includes $1.4bn of additional forward looking provisions vs Sep 19

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

Group CET1



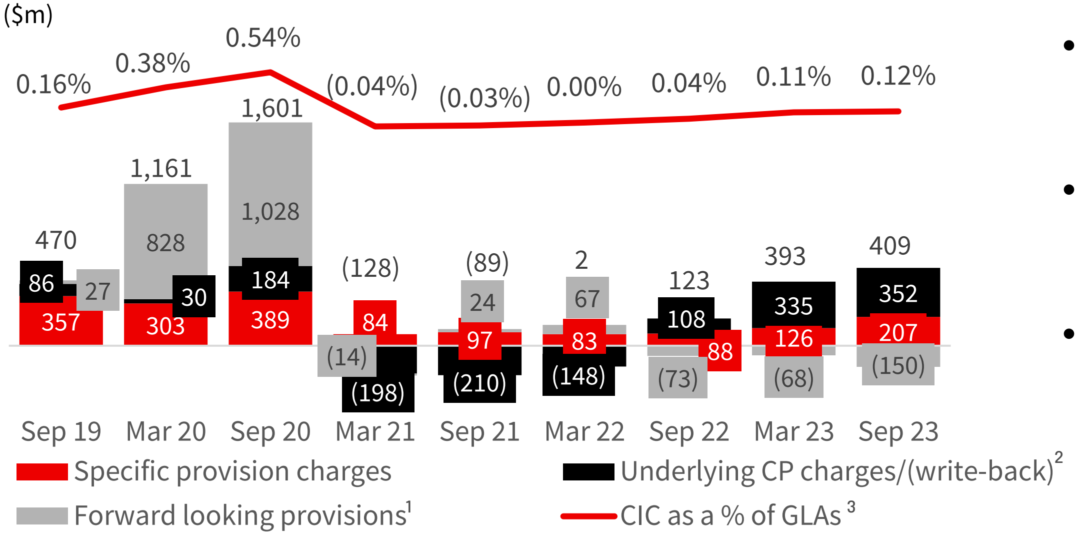
LCR and NSFR well above regulatory minimums at Sep 23



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

Asset quality

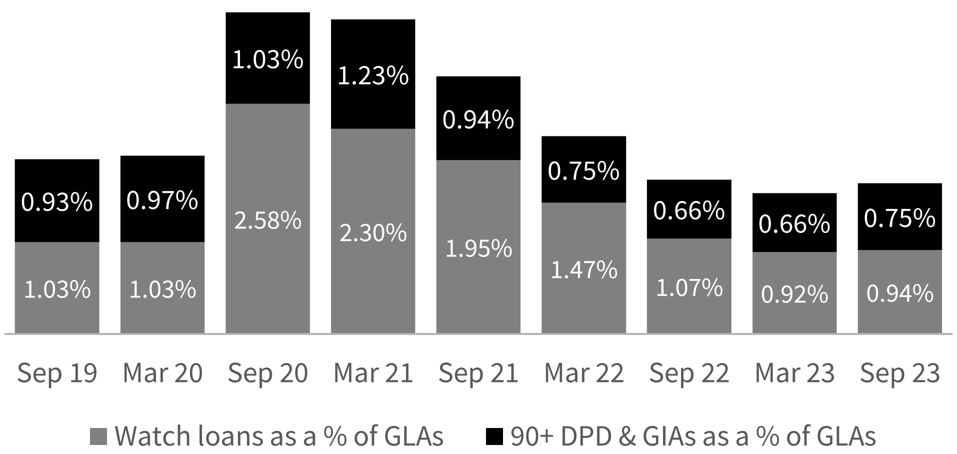
Credit impairment charge (CIC)



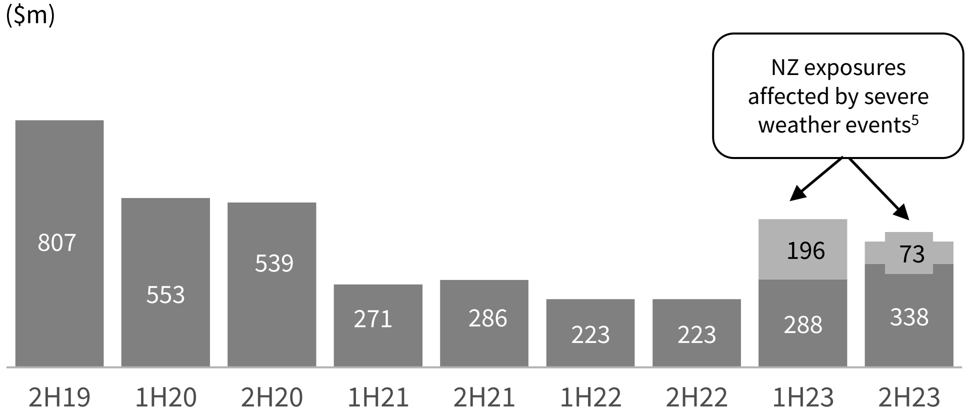
Key 2H23 drivers

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

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



New impaired assets



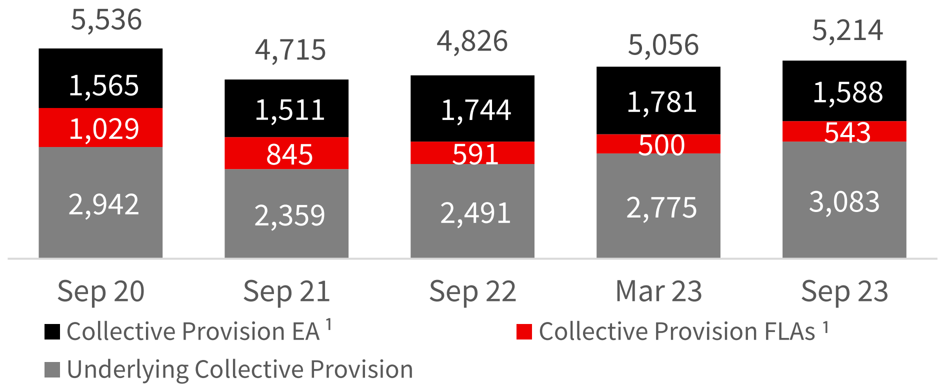
(1) Represents collective provision EA and FLAs for targeted sectors
(2) Represents collective credit impairment charge less forward looking provisions
(3) Half year annualised
(4) Referral to Watch generally triggered by banker annual reviews through the year or as a result of performing customers experiencing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

Strong provisioning maintained

Collective provision balances

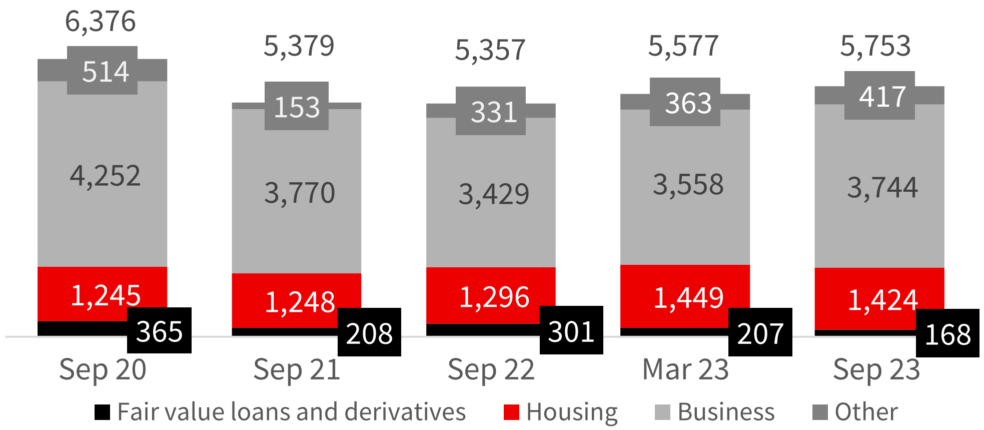
($m)

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

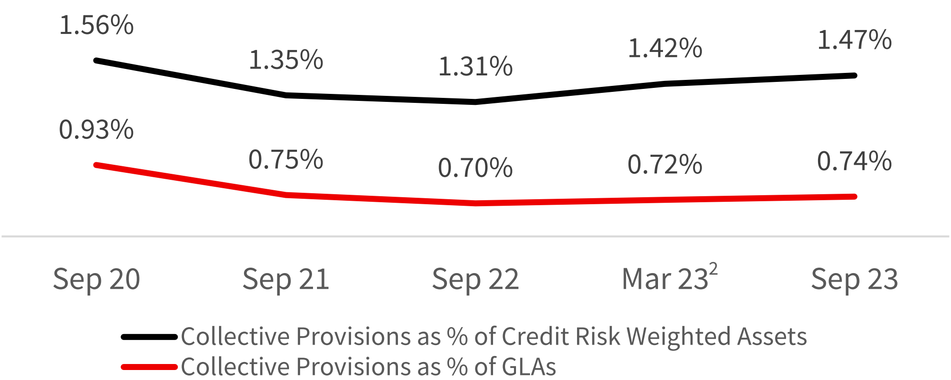


Total provisions for expected credit losses

($m)



Collective provision coverage



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

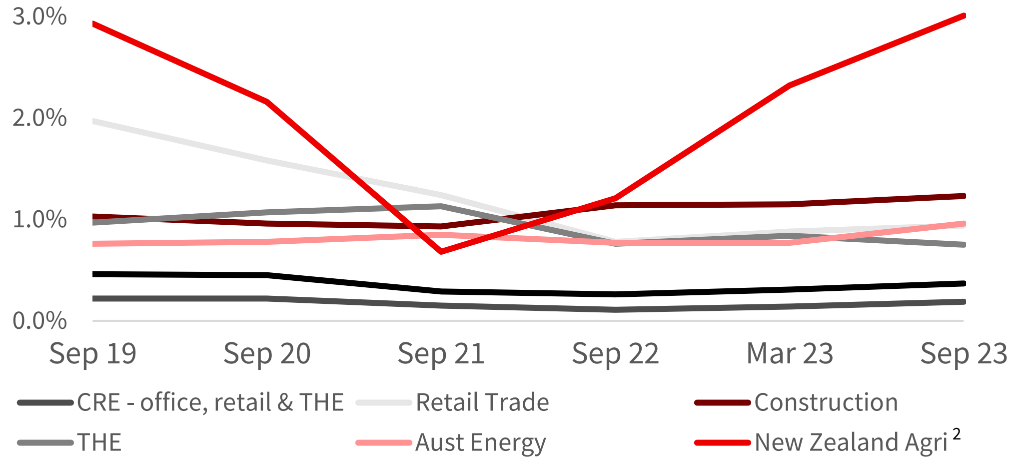
- ECL scenario weightings unchanged since Mar 23
- Improvement in base case (particularly house prices) since Mar 23, partly offset by weaker downside scenario
- Net FLA increase $43m including new NZ Agri FLA

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

Sectors of interest

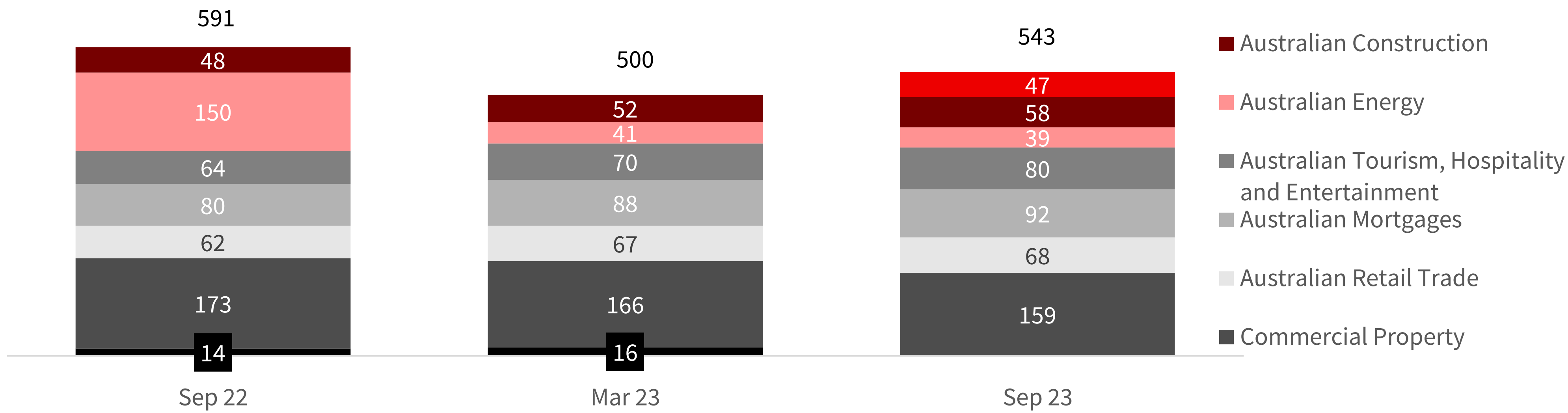
Sep 23	EAD $bn[1]	EAD[1] change since Sep 20	90+ DPD and GIAs as % EAD
Retail Trade	15.0	3.4%	0.94%
Tourism, Hospitality & Entertainment (THE)	14.3	1.4%	0.75%
Construction	13.0	12.1%	1.23%
Australian Energy	29.6	8.8%	0.96%
New Zealand Agri	16.2	3.2%	3.01%[2]
CRE - Office, retail & THE[3]	44.4	6.0%	0.19%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

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



Collective provision target sector FLAs

($m)



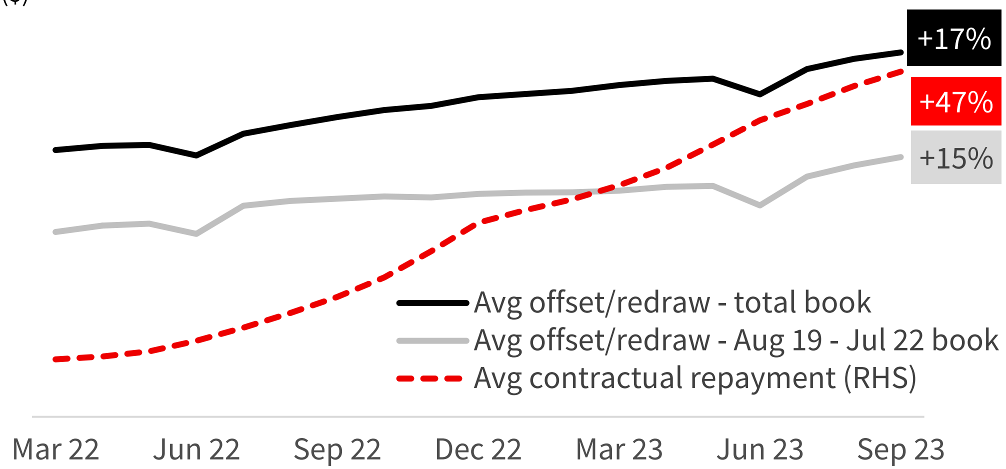
(1) Mar 2023 and beyond include the impact of changes to the calculation of EAD as a result of the implementation of the revised capital framework from 1 January 2023. Refer NAB's March 2023 Pillar 3 Report for further details
(2) Mar 2023 and Sep 2023 include NZ$195m and NZ$270m respectively relating to a portfolio of New Zealand customers affected by severe weather events. These customers have been classified as "Restructured loans" in accordance with APS 220 Credit Risk Management. Excluding the impact of the restructured loans, 90+DPD and impaired ratio would be 1.19% at Mar 23 and 1.46% at Sep 23
(3) CRE EAD figures are limits based on ARS 230 definitions and CRE FLAs relate to total CRE portfolio with Office, Retail and THE CRE viewed as most at risk

Australian housing lending $338bn GLAs[1]

Offsets & redraws up despite higher mortgage repayments

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

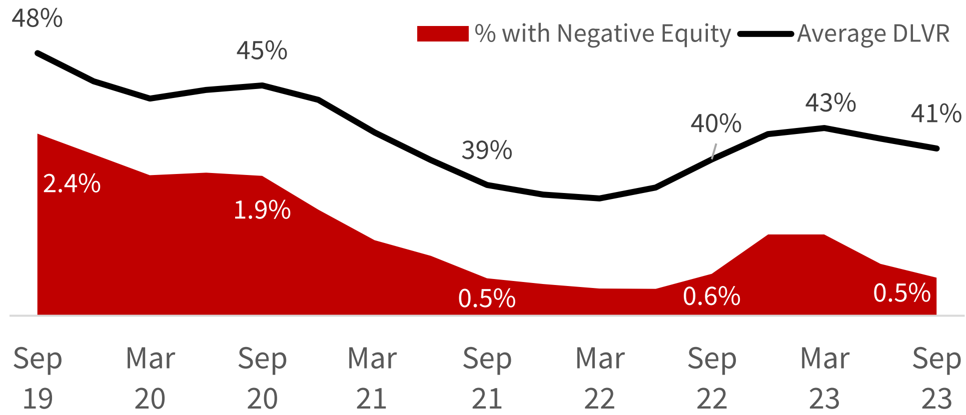
($)



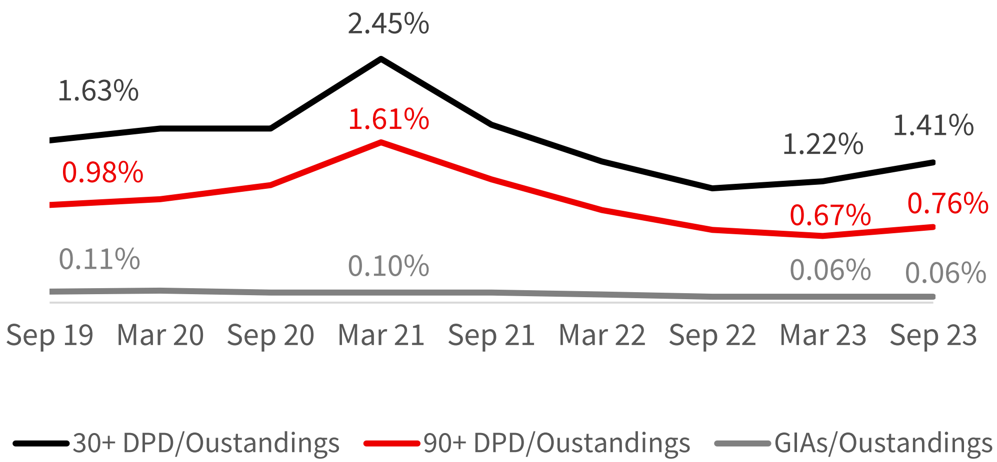
Higher house prices have improved average DLVR

Average DLVR and negative equity[3]

Sep 23 negative equity ex LMI 0.4%



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



Key considerations

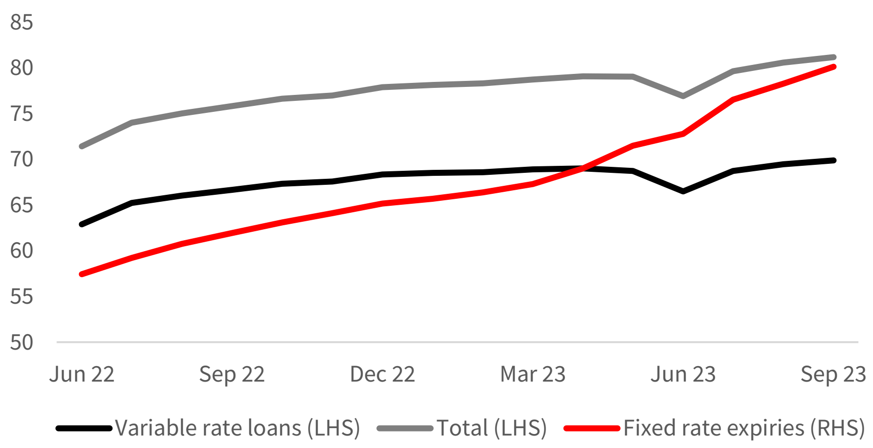
- 2H23 increase in arrears off a low base reflects broad-based deterioration across loan types and regions
- Contribution to 2H23 arrears uplift from $145bn of loans originated in low interest rate period Aug 19 – Jul 22[4] consistent with seasoning at this stage
- Limited impairment - benefitting from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

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

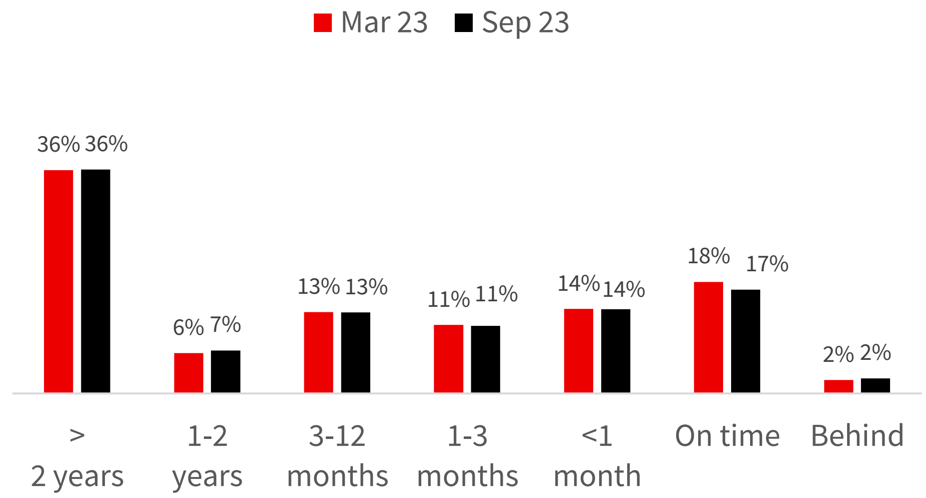
Housing lending offsets and redraw balances

Offset & redraw balances continue to increase

($bn)



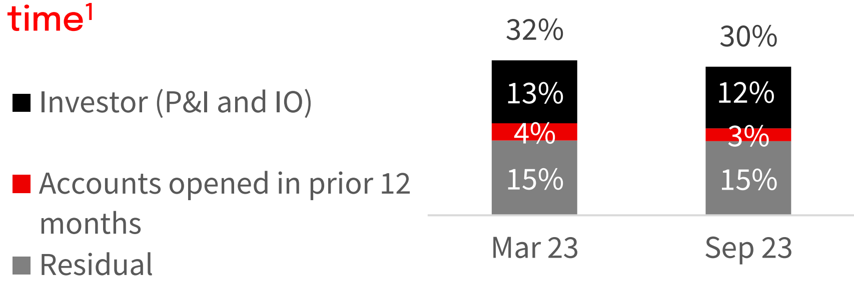
Offset and redraw balances multiple of monthly repayments[1]



Scenario analysis to identify higher risk exposures[2]

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

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



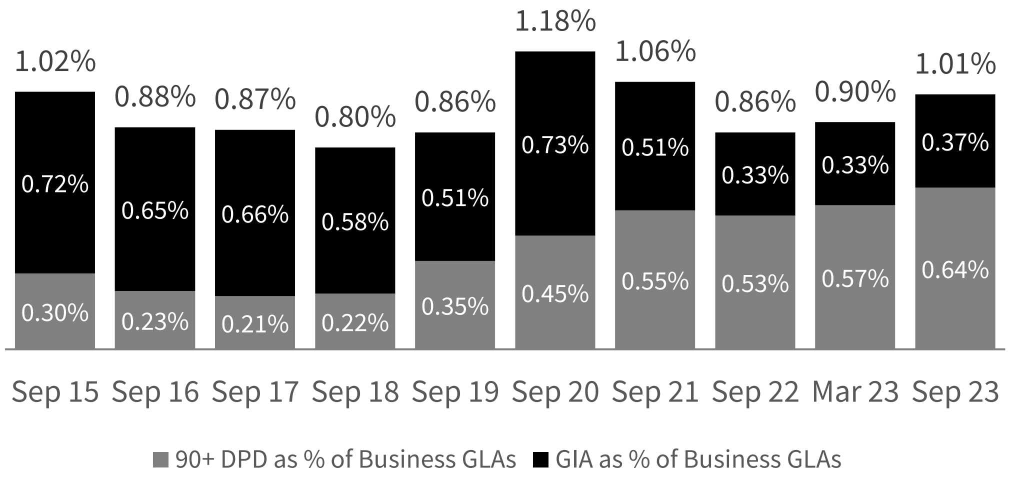
(1) By accounts. Includes offsets. Excludes line of credit, Citi Consumer Business and 86 400 platform
(2) Based on $145bn (Mar 23: $163bn; Sep 22: $177bn) of loans currently on book which were originated between Aug 19 and Jul 22 with average serviceability threshold <6% less FR home loans expiring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

Business & Private Banking business lending $143bn

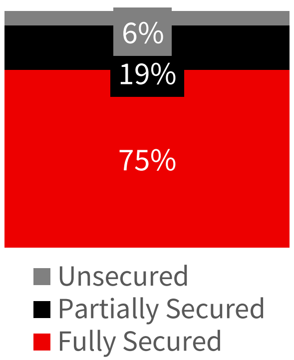
Key considerations

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

90+ DPD and GIAs as % of GLAs



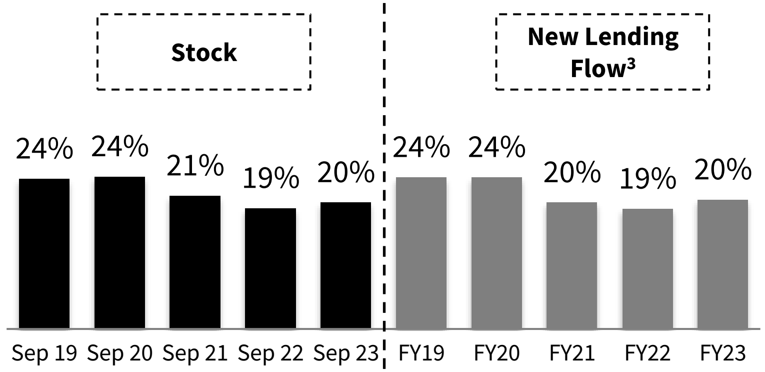
Security profile[2] Sep 23



Higher risk balances

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

Exposures with probability of default (PD) ≥ 2%

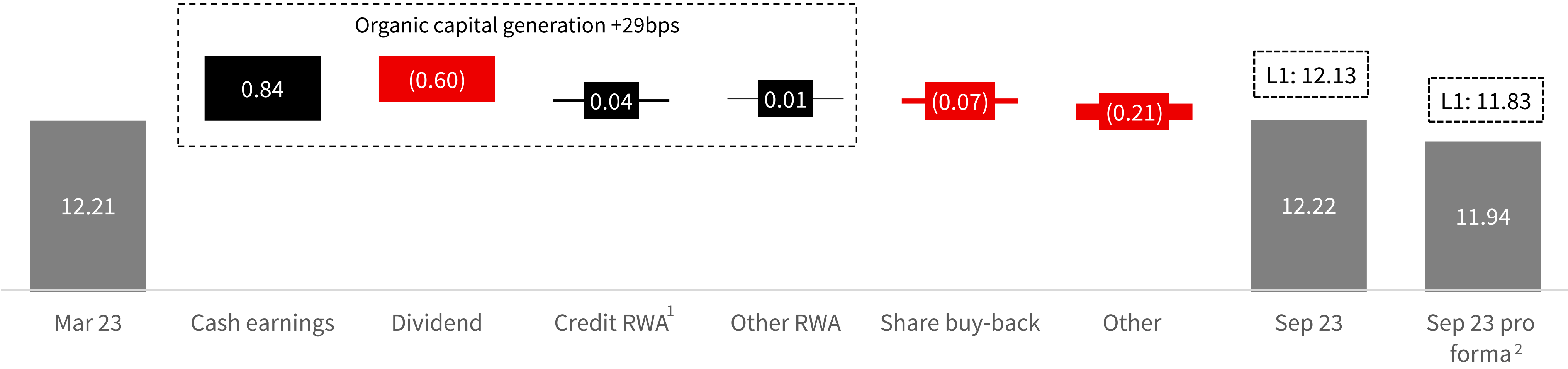


(1) Sectors of interest refers to non-retail sectors with an FLA (Retail Trade, Tourism, Hospitality and Entertainment (THE), Construction, Australian Energy and CRE)
(2) Fully Secured is where the loan amount is less than 100% of the bank extended value of security; Partially Secured is where the loan amount is greater than 100% of the bank extended value of security; Unsecured is where no security is held and/or no value held against the security and negative pledge arrangements may be in place. Bank extended value is calculated as a discount to market value based on the nature of the underlying security
(3) Lending to new customers and increased lending to existing customers during the financial year

Capital remains above target range

Level 2 Basel III CET1 capital ratio

(%)

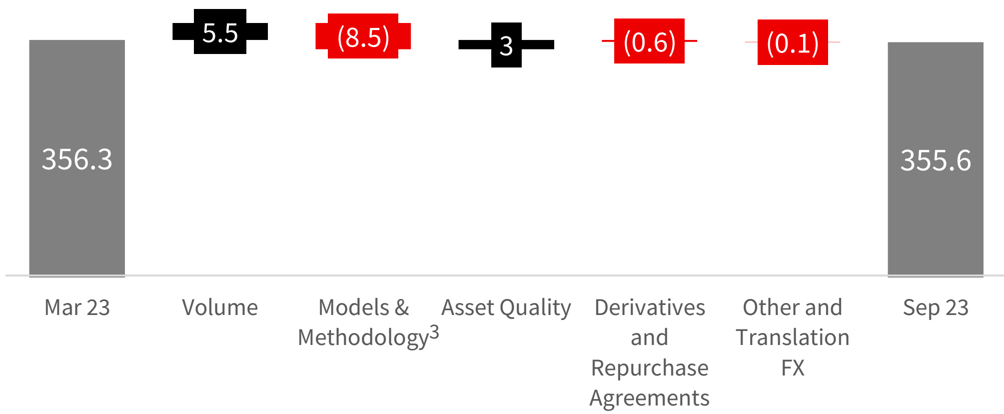


CET1 considerations

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

Credit risk-weighted assets

($bn)



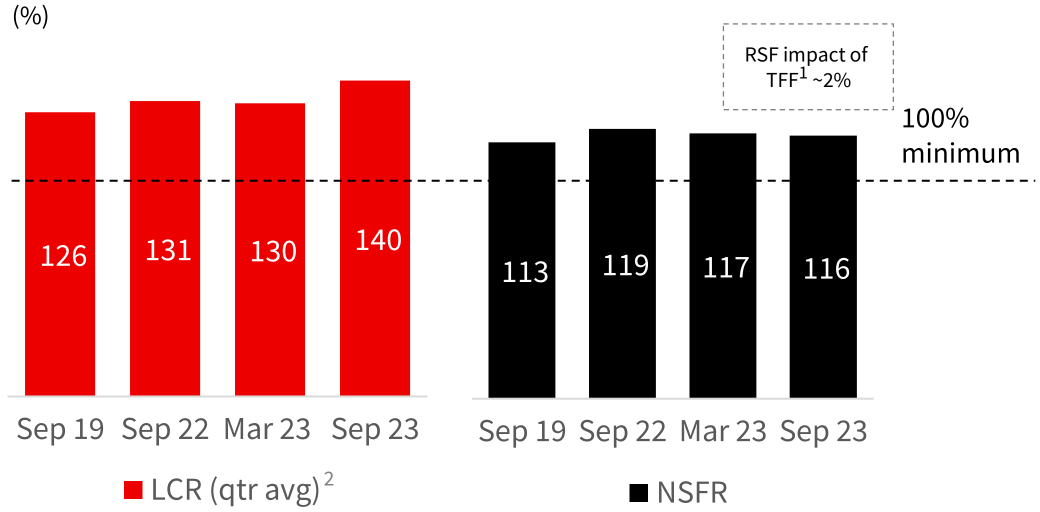
(1) Excludes FX translation
(2) Pro forma capital includes the impact of the remaining $1.2bn of the $1.5bn buy-back announced in August 2023 (-28bps at Level 2 and -30bps at Level 1)
(3) In the six months ended 30 September 2023, the loss given default (LGD) estimates for non-retail exposures subject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

Strong funding and liquidity metrics

Key messages

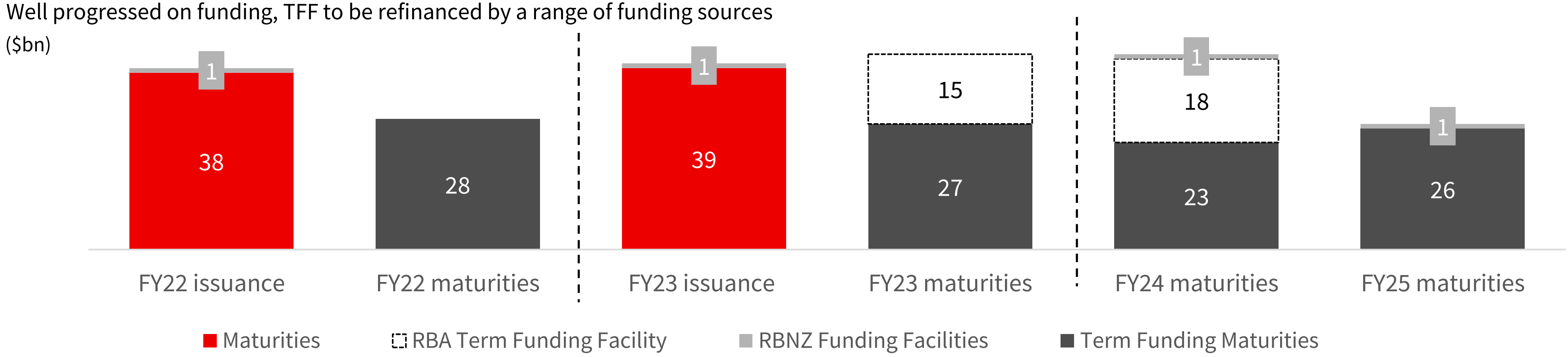
- Continued strong liquidity
- NSFR expected to continue to moderate to pre COVID-19 levels reflecting the TFF[1] transition
- Term funding issuance well diversified across product and currency to support TFF refinancing and balance sheet growth
- Well placed to manage remaining TFF maturities in FY24

Liquidity position well above regulatory minimums



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

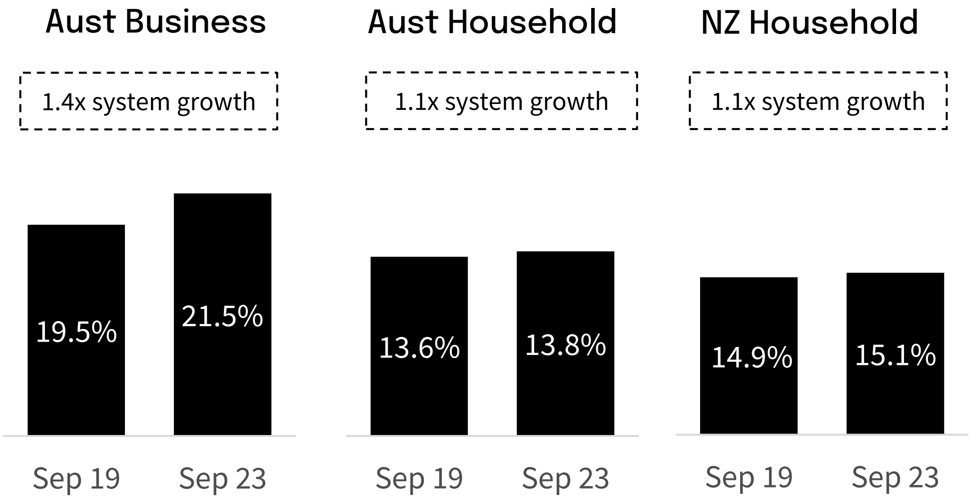
Well progressed on funding, TFF to be refinanced by a range of funding sources



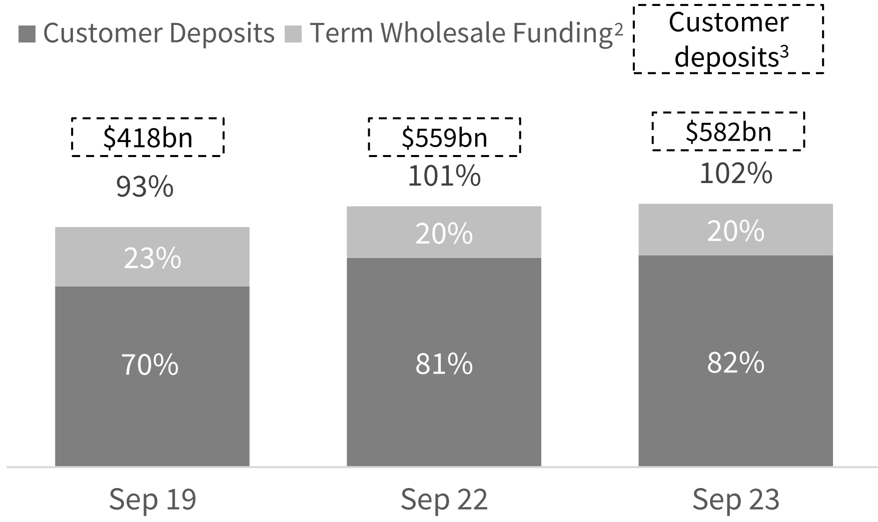
(1) Group NSFR at Sep 2023 includes a 2.0% benefit from the Required Stable Funding (RSF) treatment of TFF collateral. This will no longer be available following the repayment of the TFF
(2) Average LCR for the three months ended 30 September 2022 has been restated from that previously disclosed. Details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

Sustainably growing customer deposits

Growing deposit market share[1]

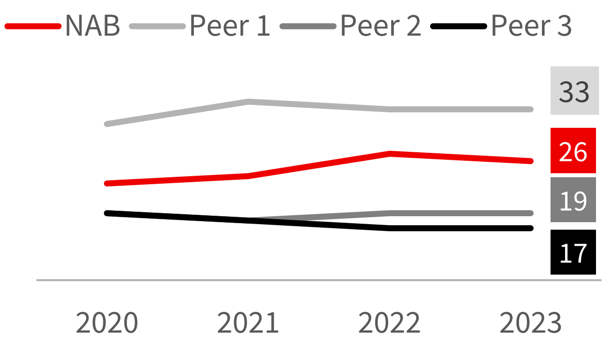


GLAs increasingly funded by deposits

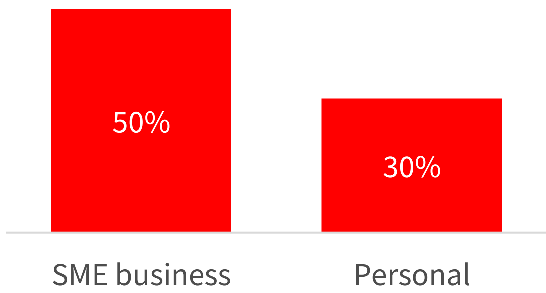


Supported by focus and investment to uplift our transactional banking proposition

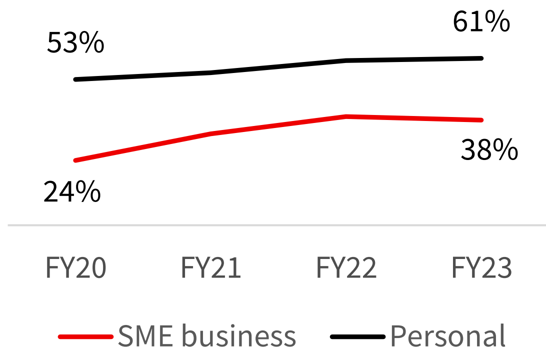
C&IB transactional banking lead bank market penetration[4]



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



New transaction accounts increasingly opened digitally[5]



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

Additional information

Strategy

We have a clear long term strategic ambition

Why we are here

To serve customers well and help our communities prosper

Who we are here for

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

Customers
Choose NAB because we serve them well every day

What we will be known for

Relationship-led
Relationships are our strength

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

Easy
Simple to deal with

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

Safe
Responsible & secure business

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

Long-term
A sustainable approach

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

Where we will grow

Business & Private
Clear market leadership

Corporate & Institutional
Disciplined growth

Personal
Simple & digital

BNZ
Personal & SME

ubank
Customer acquisition

How we work

Excellence for customers

Grow together

Be respectful

Own it

Measures for success

Engagement

NPS growth

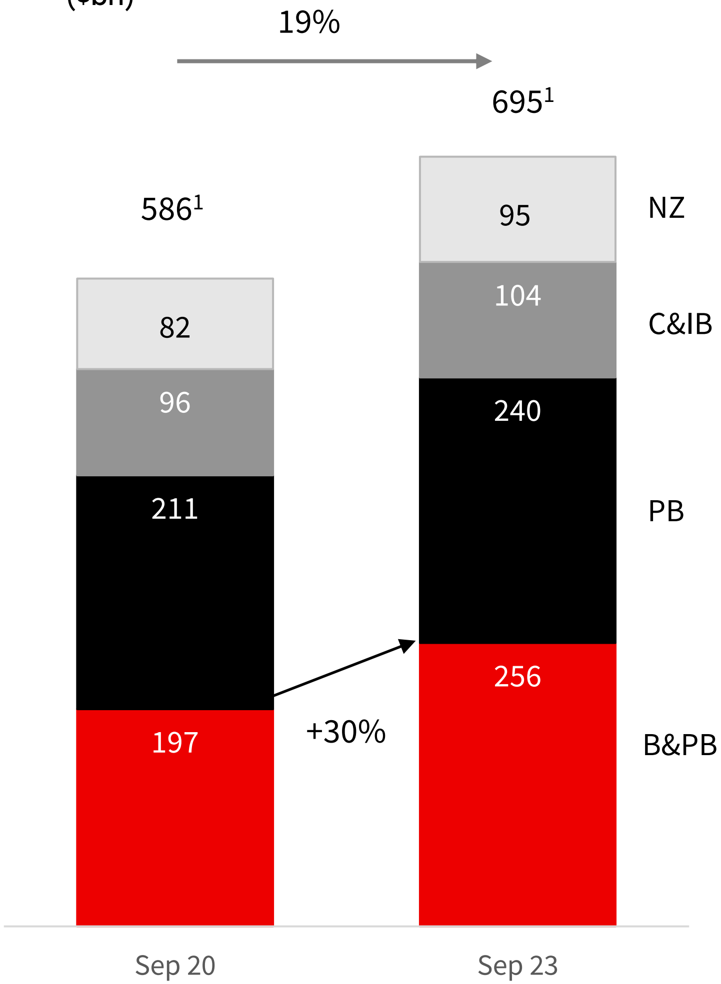
Cash EPS growth

Return on Equity

Portfolio tilt and strategic execution driving returns

Portfolio mix increasingly tilted to high returning B&PB

GLAs by division ($bn)

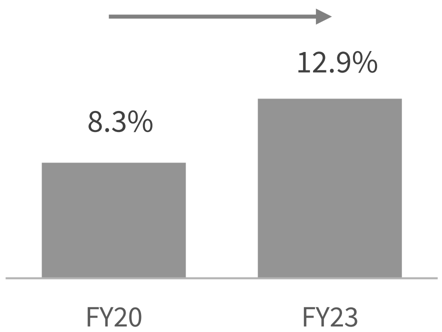


RoRWA[2]

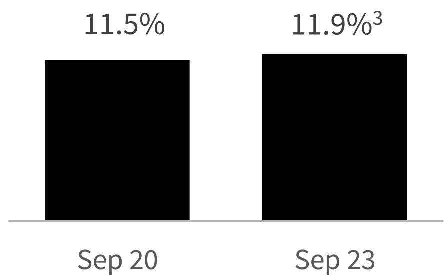
	3 yr	FY23
NZ	**2.16%**	**2.33%**
C&IB	**1.36%**	**1.75%**
PB	**1.95%**	**1.80%**
B&PB	**2.16%**	**2.25%**

Delivering a higher ROE, while maintaining a strong balance sheet

ROE up 4.6%



CET1 capital



Executing our strategy

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

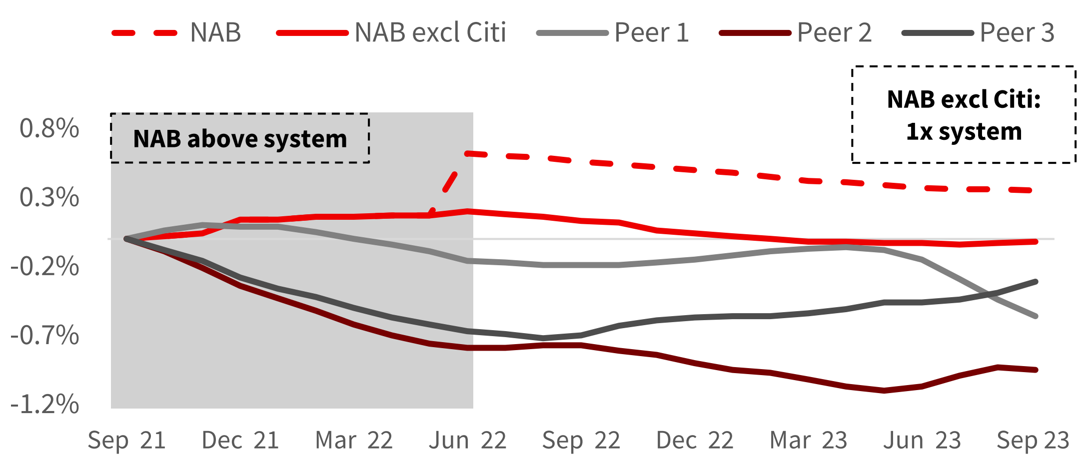
(1) Total GLAs exclude balances in the Corporate Functions and Other ($8bn at Sep 20 and $13bn at Sep 23)
(2) Average divisional return on risk-weighted assets in FY21, FY22 and FY23. NZ Banking RoRWA relates to CET1 requirements in NZ which will ultimately be higher than Group as RBNZ capital reform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

Disciplined growth in home lending to support long term value

Navigating a challenging market environment

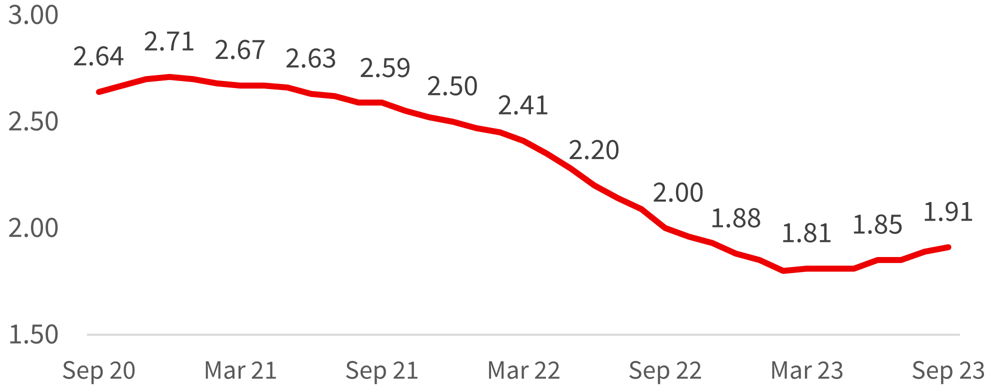
- Some easing in front book pricing pressure but margins continue to reflect competitive environment
- System growth expected to slow further in FY24
- Elevated refinancing activity across the system
- Continue to invest in Simple Home Loans (SHL) to enhance the customer and broker experience – 50% of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

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



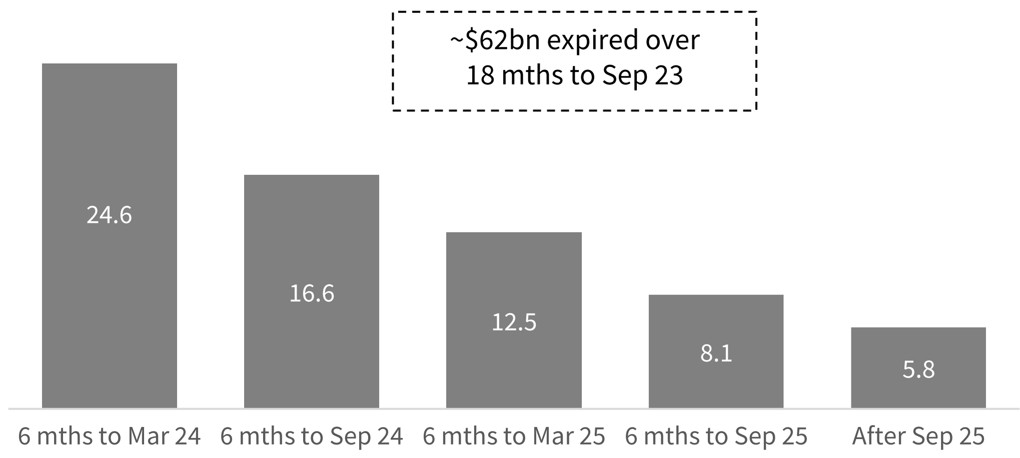
RBA owner occupier VR front book pricing[2]

(%)



Fixed rate home loan contractual expiry[3]

($bn)



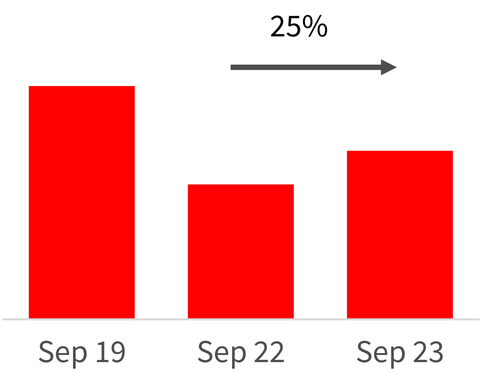
(1) APRA Monthly Authorised Deposit-taking Institution statistics Sep 2023
(2) Based on RBA Lenders' Interest Rates Aug 2023. Front book large institution owner occupier variable rate (net of cash rate)
(3) Australia only (total book $68bn). Contractual expiry dates to Mar 2027. Excludes 86 400 platform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

Supporting customers

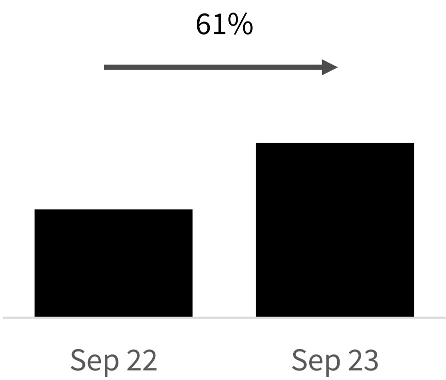
Helping customers manage higher interest rates and cost of living pressures

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

Customer accounts receiving hardship assistance[2]

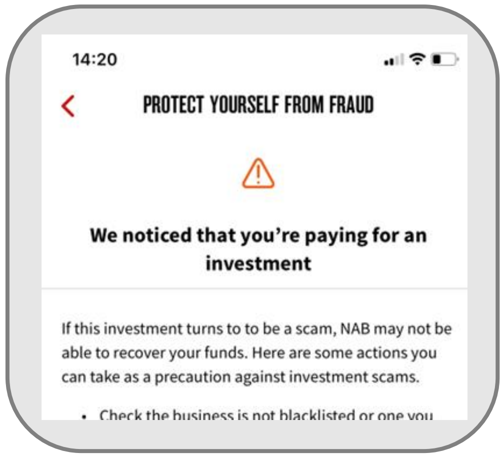


NAB Assist customer call volumes[2]



Protecting customers against scams and fraud

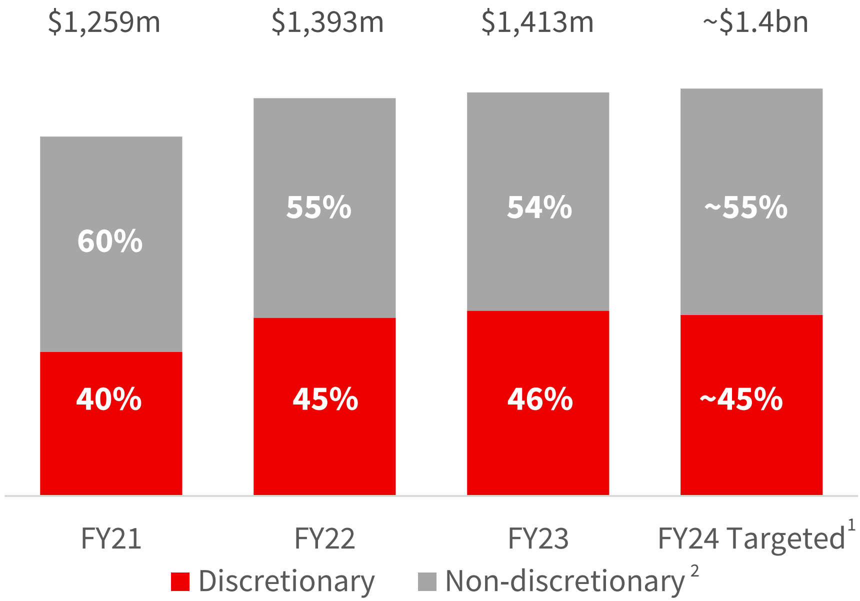
- **Prevented and recovered >$200m in scam losses** for customers since Sep 21
- **Investigations and fraud team of >470 FTE** including 70 FTE added in FY23
- **33 initiatives completed** in FY23, including:
  - Stopped sending **links in texts** to customers
  - **Partnering with telcos** to help limit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



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

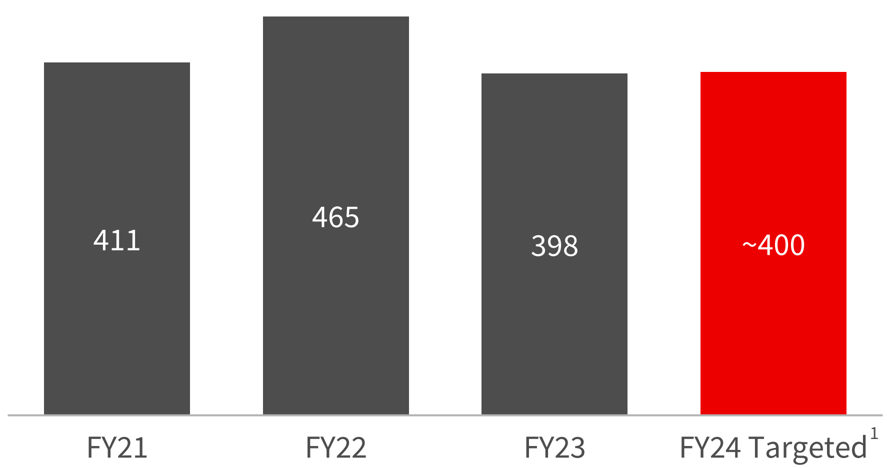
Investing for long term growth and sustainable cost efficiency

Multi-year investment aligned to strategic priorities



Focused on productivity benefits to offset investment and cost headwinds

($m)



Productivity benefits underpinned by investment

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

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

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

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

(1) Refer to key risks, qualifications and assumptions in relation to forward looking statements on page 95
(2) Non-discretionary investment includes investment to uplift systems, processes and control environment
(3) Based on percentage of gross applications reduced in FY23, excluding new applications

Key priorities in FY24 aligned to our long term strategy

national australia bank

Maintaining strategic momentum

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

Our long-term strategy – "What we will be known for"

Relationship-led
- Relationships are our strength

Easy
- Simple to deal with

Safe
- Responsible and secure business

Long term
- A sustainable approach

FY23 progress against our climate strategy

national australia bank

Supporting customers to decarbonise and build resilience

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

Reducing financed emissions

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

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

Investing in climate capabilities

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

Investing in climate advocacy and partnerships

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

Reducing operational emissions

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

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

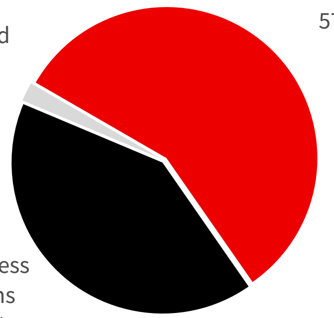
Additional information

Group and Divisional Performance

NAB at a glance

Cash earnings divisional split[1]	% of FY23 Cash Earnings
Business and Private Banking	43%
Personal Banking	19%
Corporate and Institutional Banking	24%
New Zealand Banking	18%
Corporate Functions & Other	(4%)
Cash earnings	100%

Gross loans & acceptances split



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

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

(1) Refer to page 169 of NAB's 2023 Annual Report for definition of cash earnings and reconciliation to statutory net profit or, for US investors, in NAB's 2023 Full Year U.S. Disclosure Document
(2) APRA Monthly ADI statistics. Business lending represents non-financial business lending
(3) From continuing operations

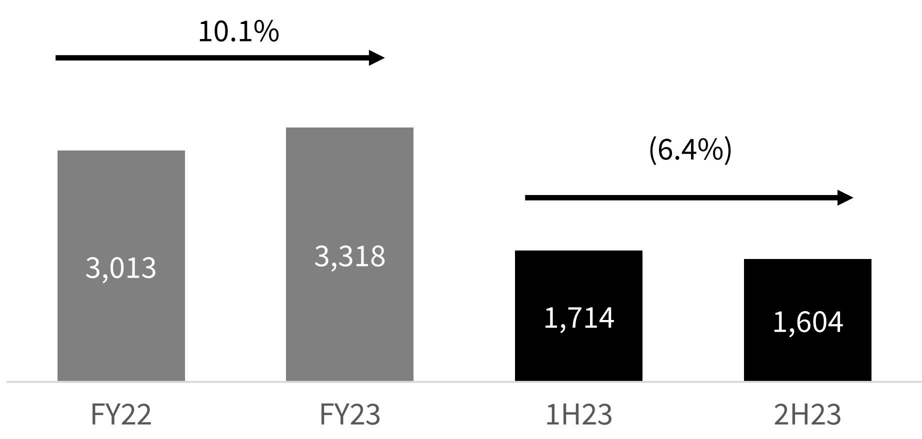
Divisional contributions

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

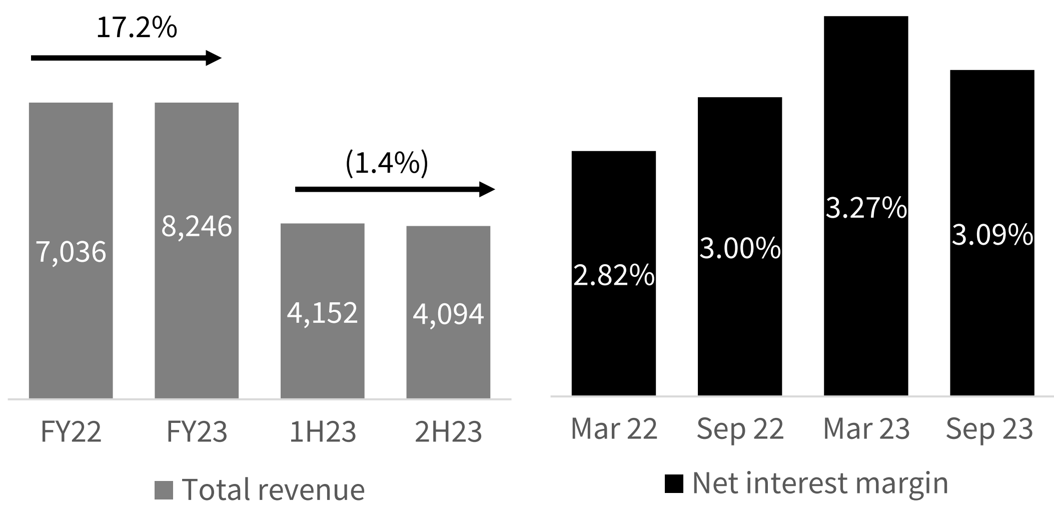
(1) Refer to page 169 of NAB's 2023 Annual Report for definition of cash earnings and reconciliation to statutory net profit, or or, for US investors, in NAB's 2023 Full Year U.S. Disclosure Document
(2) New Zealand Banking in local currency

Business and Private Banking

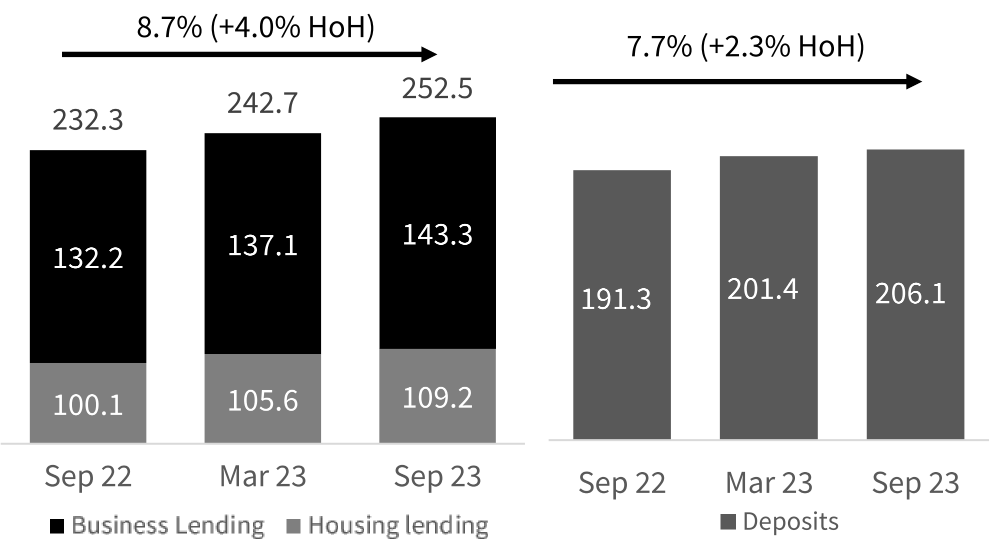
Cash earnings
($m)



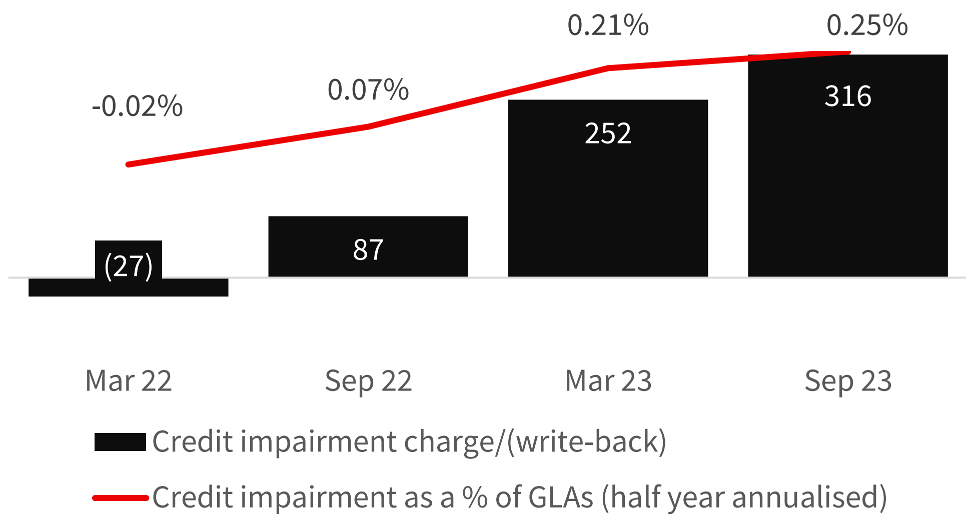
Revenue and margin
($m)



Business and housing lending GLAs and deposits
($bn)

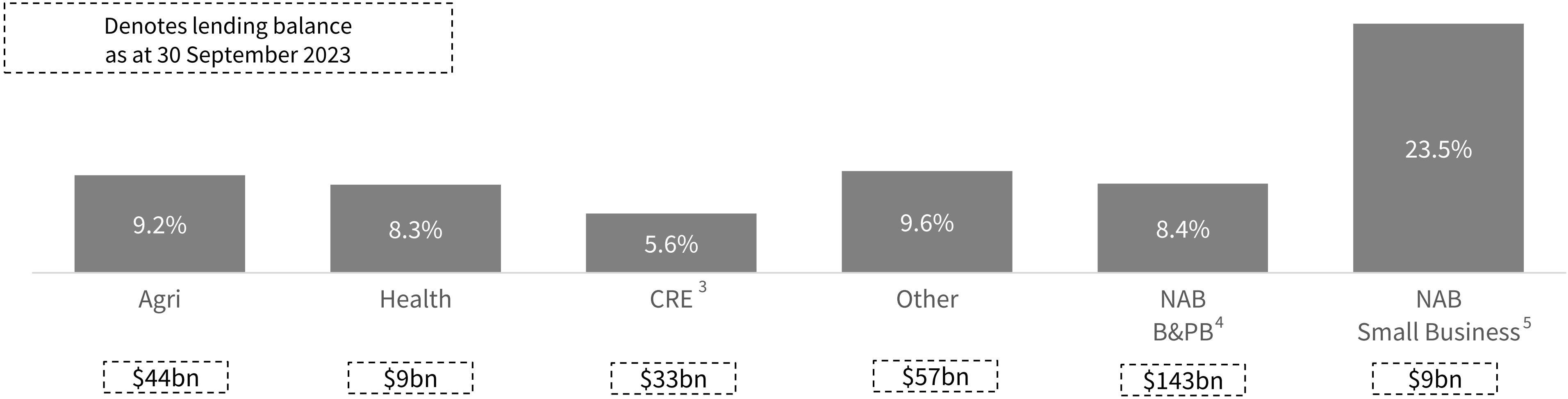


Credit impairment charges and as a % of GLAs
($m)

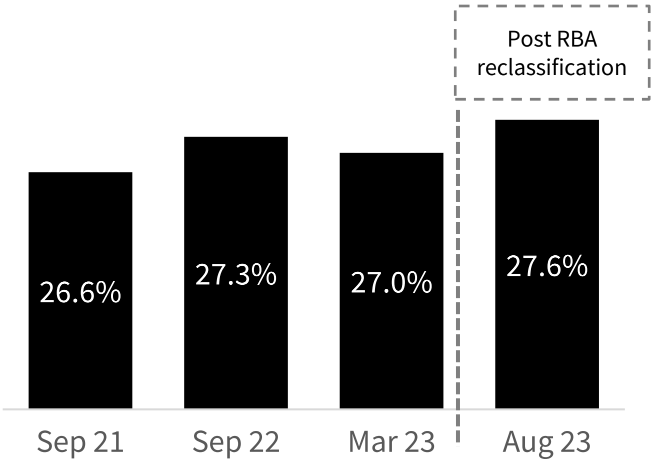


Business and Private Banking business lending

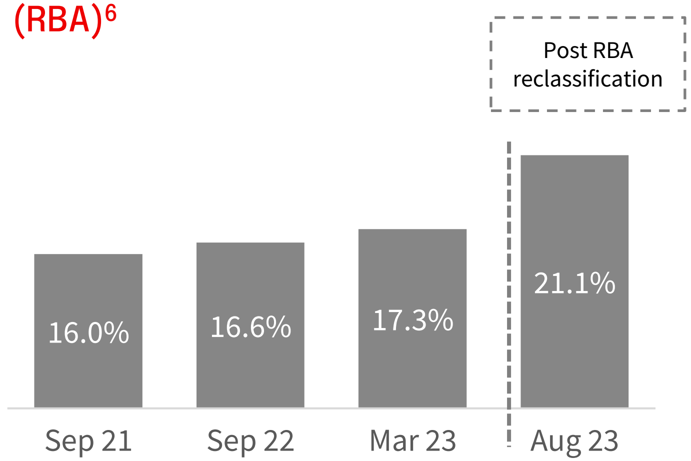
Diversified Australian business lending growth (YoY)[1,2]



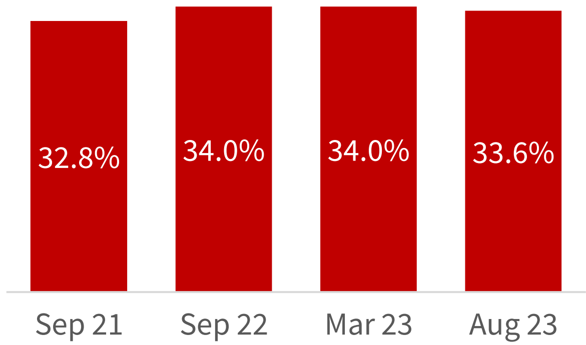
SME lending market share (RBA)[6]



Small business lending market share (RBA)[6]



Agri business lending market share (RBA)

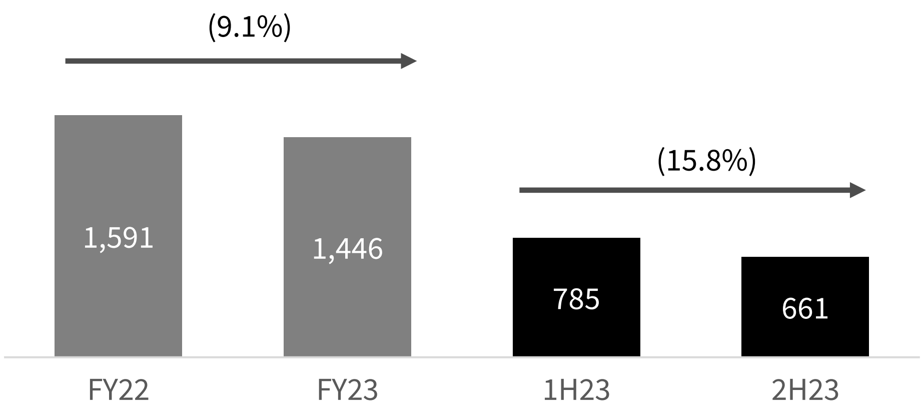


(1) Growth rates are on a customer segment basis and not industry
(2) NAB has modified its interpretation of the ARS 230 Commercial Property standard, with the guidance of APRA. This has seen an additional ~$2.5bn in Australian balances now qualifying for ARS 230 reporting at Sep 23 (previously presented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

Personal Banking

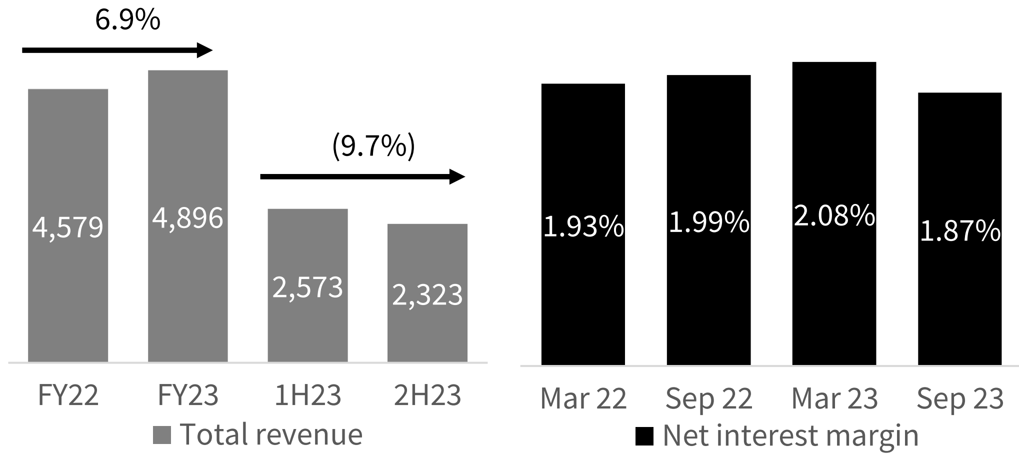
Cash earnings

($m)



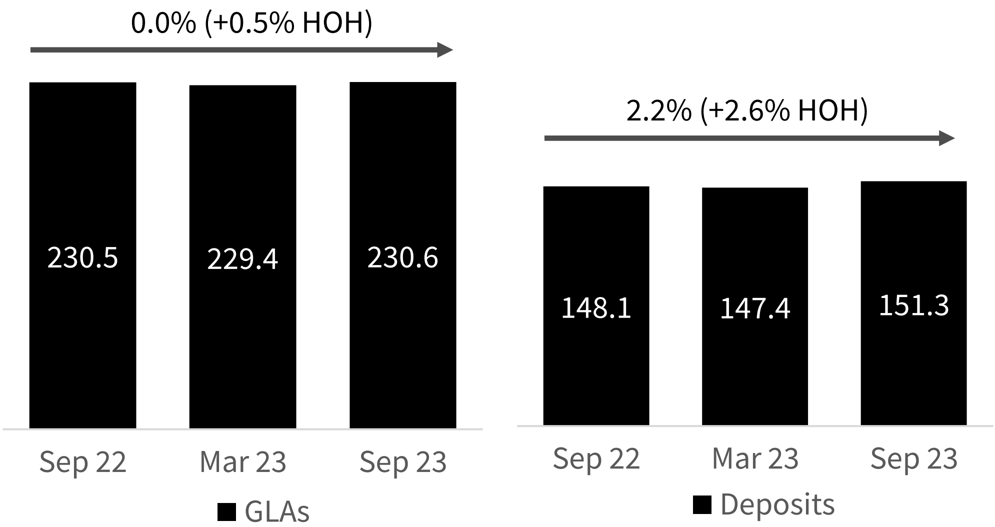
Revenue and margin

($m)



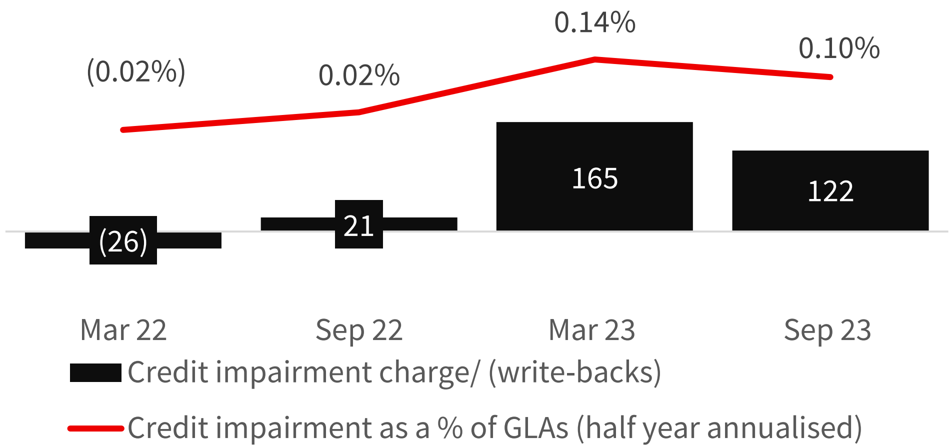
Housing lending GLAs and deposits

($bn)



Credit impairment charges and as a % of GLAs

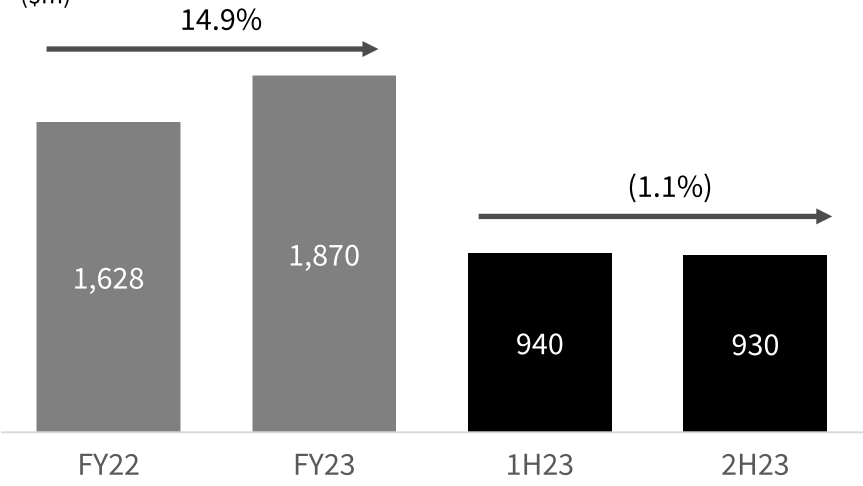
($m)



Corporate and Institutional Banking

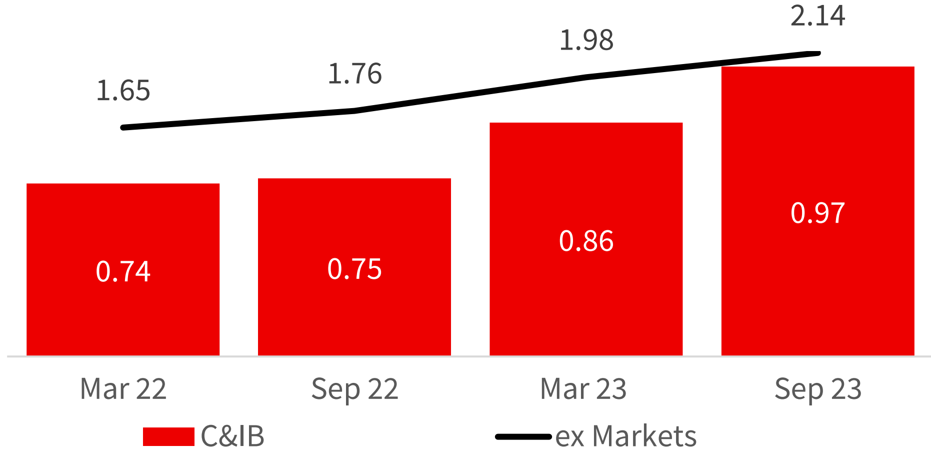
Cash earnings

($m)



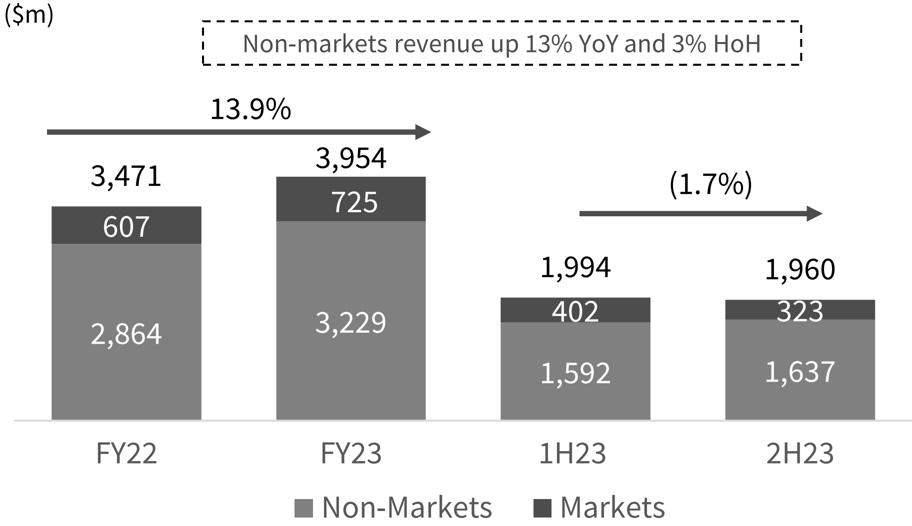
Net interest margin

(%)



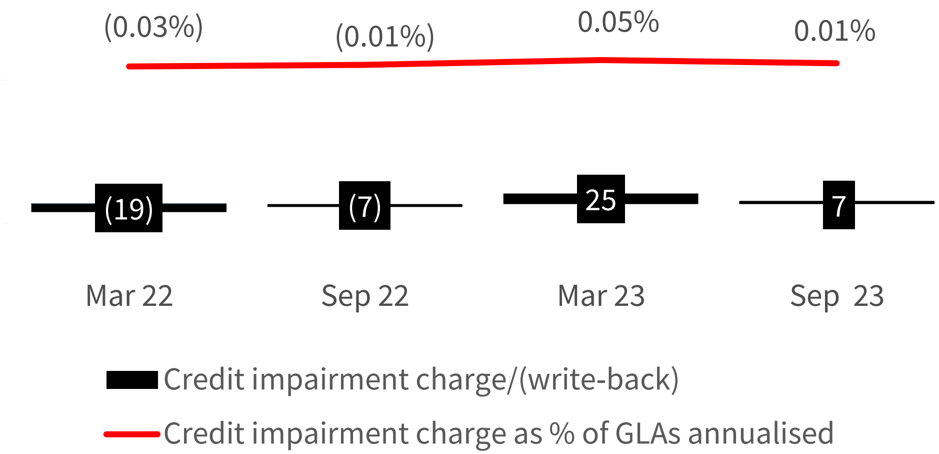
Revenue breakdown[1]

($m)



Credit impairment charges and as a % of GLAs

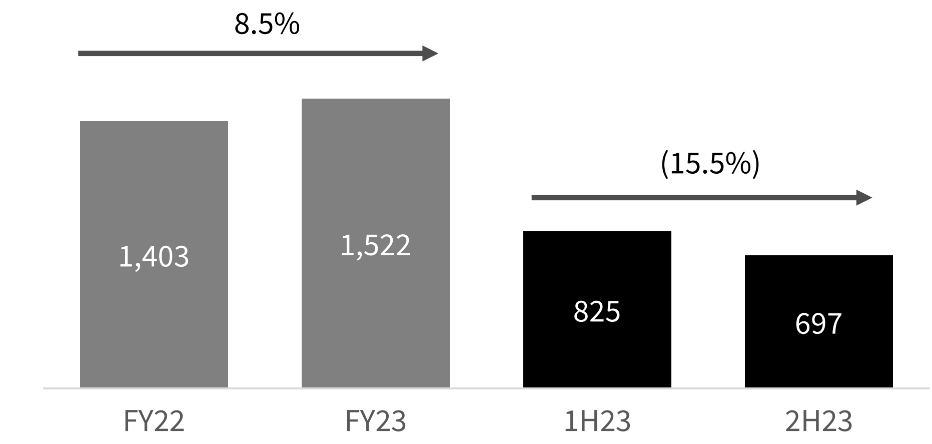
($m)



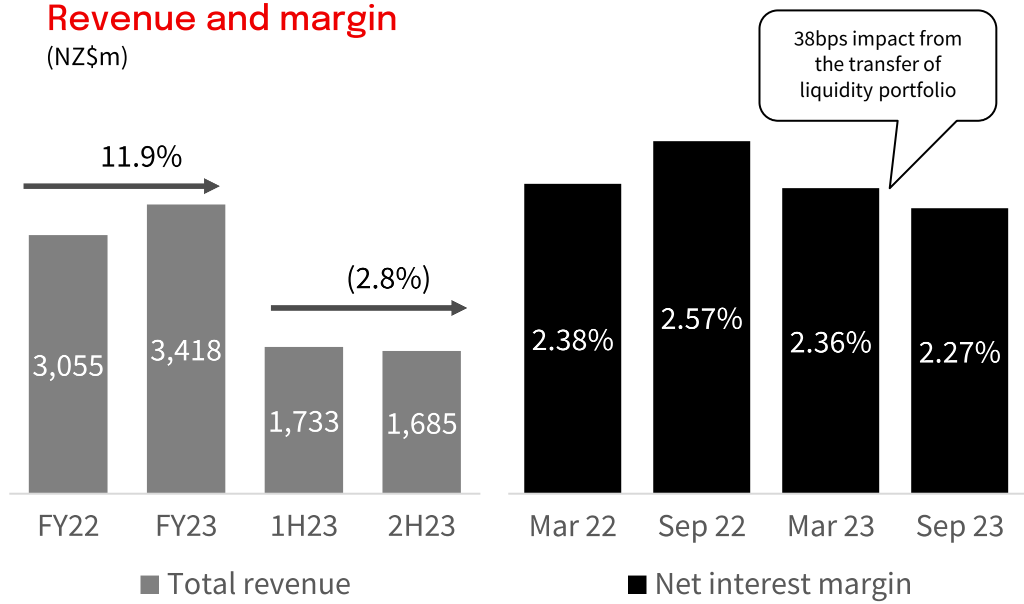
(1) Markets revenue represents Customer Risk Management revenue and NAB Risk Management revenue. Includes derivative valuation adjustments

New Zealand Banking[1]

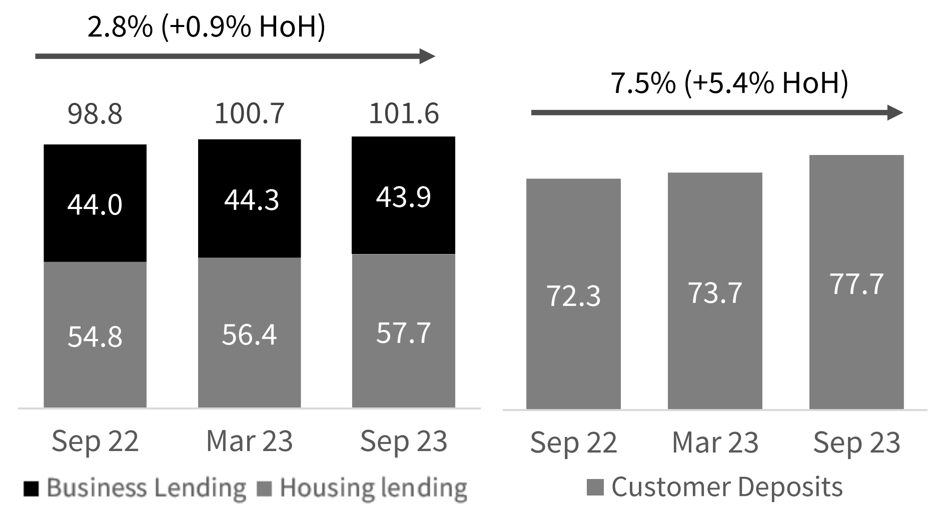
Cash earnings
(NZ$m)



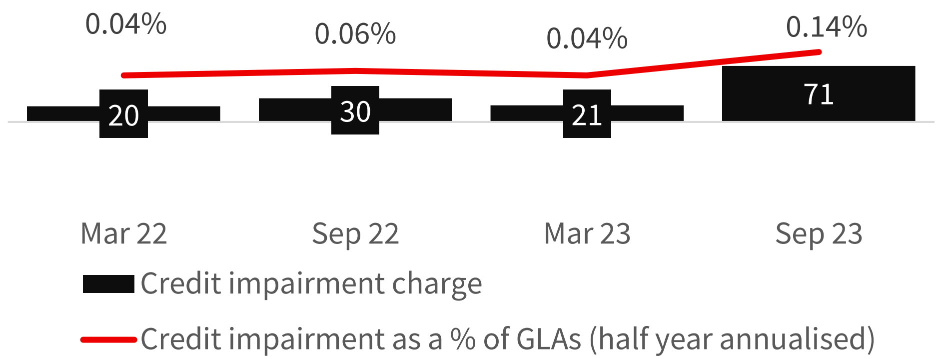
Revenue and margin
(NZ$m)



Business and housing lending GLAs
(NZ$bn)



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



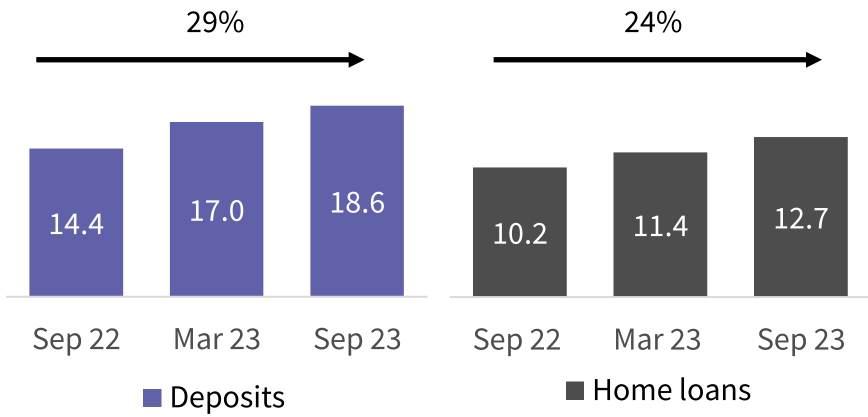
(1) New Zealand Banking results include the financial performance of the New Zealand liquidity management portfolio, effective 1 October 2022

FY23 highlights

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

Strong volume growth

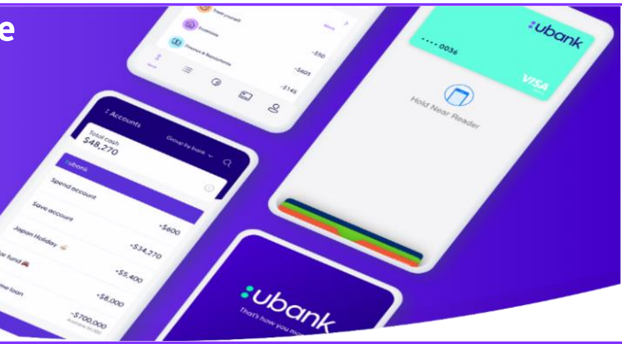
($bn)



Strong customer advocacy

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

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



Fast customer sign-up

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

Simple online home loan application process

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

Update on Citi Consumer Business acquisition

Ambition to deliver market leading capability in unsecured lending

FY23 Update

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

Integration timeline

1 June 2022
Acquisition completed

Sep 2022
High Net Worth colleagues integrated into NAB Private Wealth

Mar 2023
New unsecured lending platform foundations complete

June 2023
New unsecured lending platform pilot commenced

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

Target March 2024
Mortgages, deposits and wealth customers fully integrated

Target June 2024
New unsecured lending platform – migration ready

Target Dec 2024
Complete migration and exit TSA

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

We have clear growth opportunities

Business and Private Banking	Personal Banking	Corporate and Institutional Banking	BNZ	ubank
Clear market leadership	Simple & digital	Disciplined growth	Grow in personal & SME	New customer acquisition
• Industry-leading relationship bankers, enabled by data and analytics • Strengthen sector specialisation • Transform business lending experience • Leverage High Net Worth proposition • Partner to deliver differentiated transactional banking and payment experiences	• Professional and flexible bankers backed by customer centric technology • Deliver a simple and digital everyday banking experience, including unsecured lending • On track to deliver Australia's simplest home loan	• Highly professional relationship managers and specialists • Targeted growth in higher returning strategic segments • Enhancing capability in transactional banking, asset distribution and sustainability • Digitisation and automation supporting key customer and colleague interactions	• Step change in digital banking capability • Simpler, more focused bank • Re-weight to less capital intense segments	• New propositions driving customer acquisition • Market leading digital experience • Ambition to expand share in younger segments

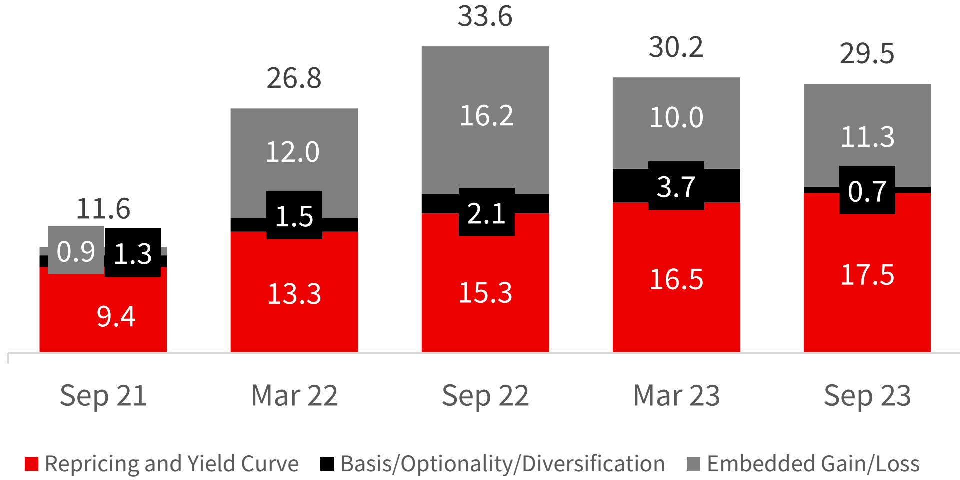
Additional information

Capital, Funding & Liquidity

Risk-weighted assets and IRRBB run off

Risk-weighted assets
($bn)

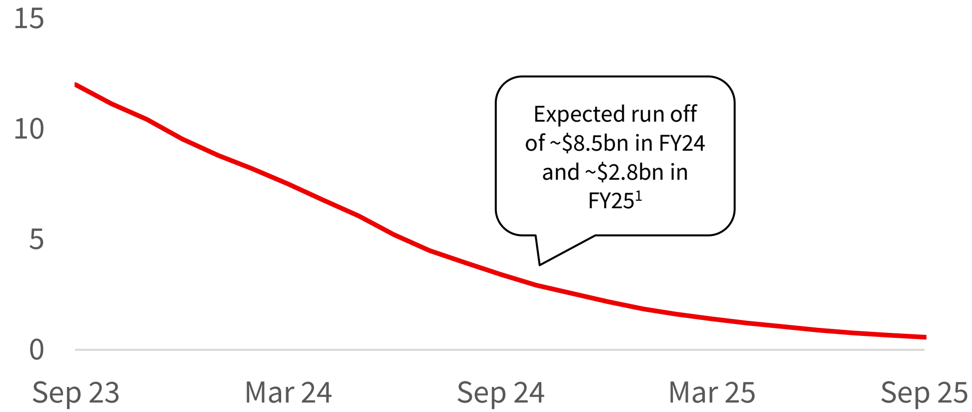
IRRBB risk-weighted assets
($bn)



IRRBB run off

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

Embedded Gain/Loss RWA run off profile
($bn)



(1) Based on yield curves as at 29 September 2023
(2) Refer to key risks, qualifications and assumptions in relation to forward looking statements on page 95

Capital & Deposit hedges

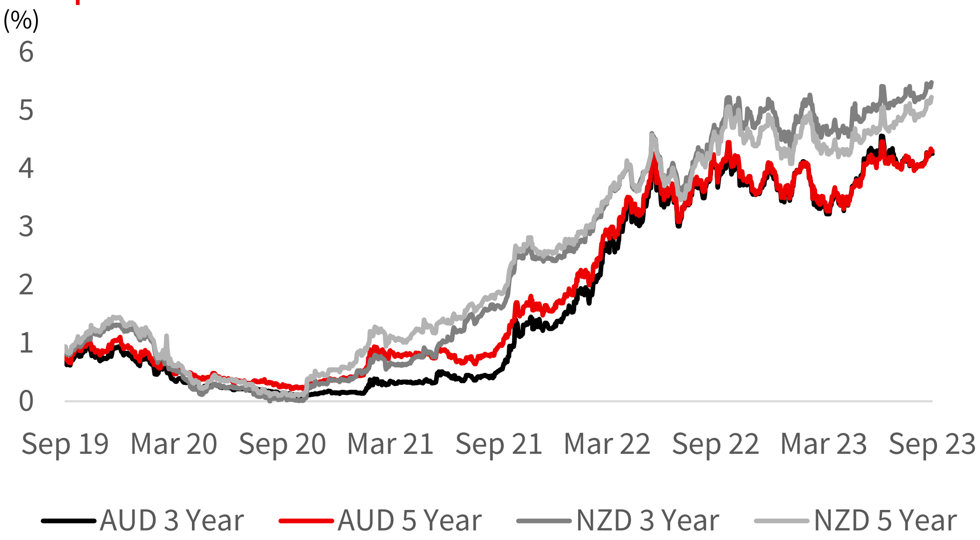
NAB replicating portfolios

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

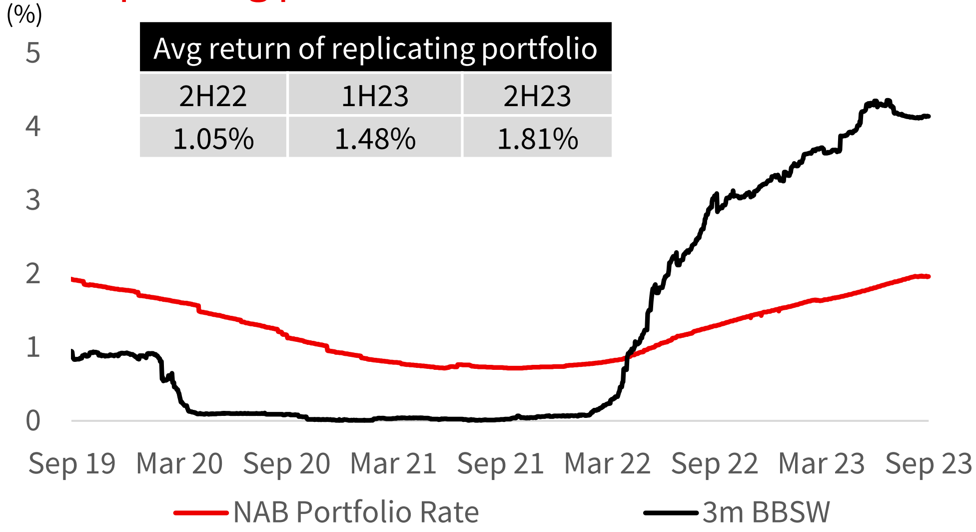
BNZ replicating portfolios

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

Swap rates[2]

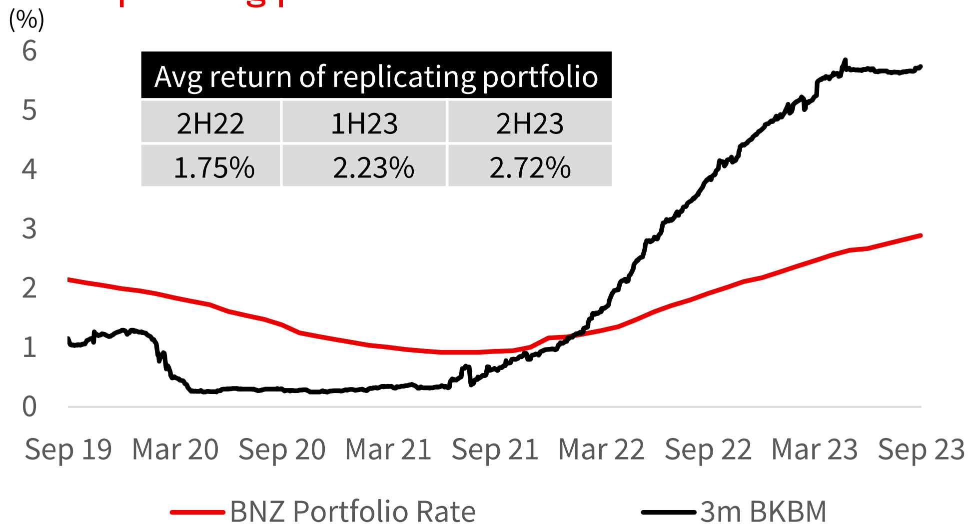


NAB replicating portfolios[1]



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

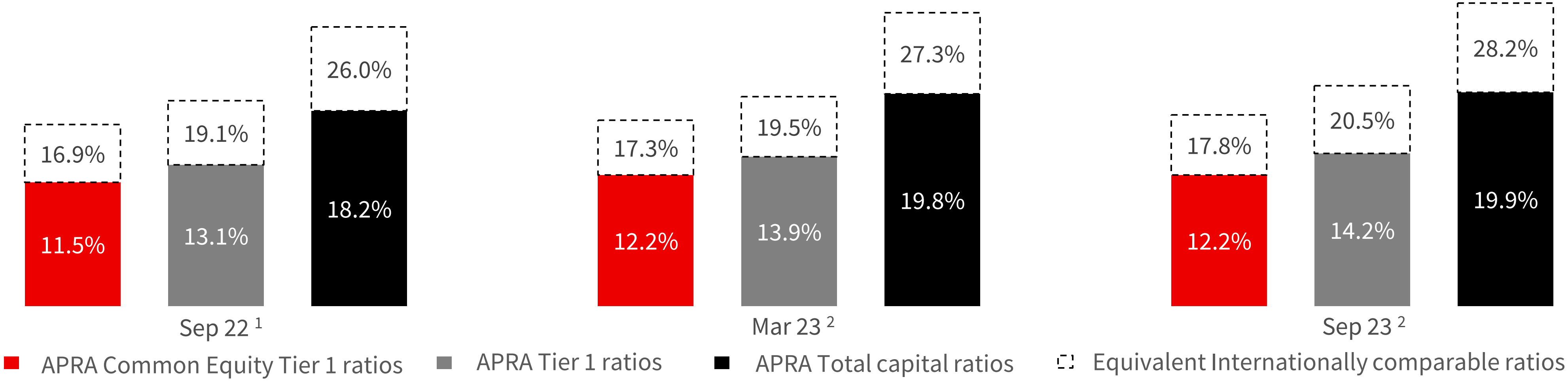
BNZ replicating portfolios[3]



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

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

APRA to minimum internationally comparable CET1 ratio reconciliation



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

(1) Internationally comparable methodology based on the APRA Information Paper 'International Comparison Study' (July 2015), which compares APRA's capital adequacy prudential requirements prior to the revised capital framework changes with Basel III

(2) Internationally comparable methodology based on the Australian Banking Association publication 'Basel 3.1 Capital Comparison Study' (March 2023), which compares APRA's revised capital framework, including RBNZ prudential requirements, with the Finalised post-crisis Basel III reforms

(3) Other includes the impact of concessional Credit Conversion Factors (CCFs) for certain credit commitments under the Basel framework, and APRA requirements for margin lending and specialised lending exposures not in the Basel framework

(4) The Internationally comparable CET1 ratio does not include the impact of the Basel capital floor. RWA used in the internationally comparable capital ratios are higher than 50% of RWA under APRA's standardised methodology, where 50% is the Basel transitional capital floor that applies from 1 January 2023

Key regulatory changes impacting capital and funding

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

(1) In December 2021, APRA finalised Loss-Absorbing Capacity requirements for D-SIBs, set as an increase to minimum Total Capital requirement of 4.5% of RWA from 1 January 2026. D-SIBs are required to hold the interim setting of an increase to minimum Total Capital requirement of 3% of RWA by 1 January 2024

Transition to the Revised Capital Framework

national australia bank

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

Mortgages

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

Income Producing Real Estate (IPRE) and Corporate Lending

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

'Other' RWA changes

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

New Zealand

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

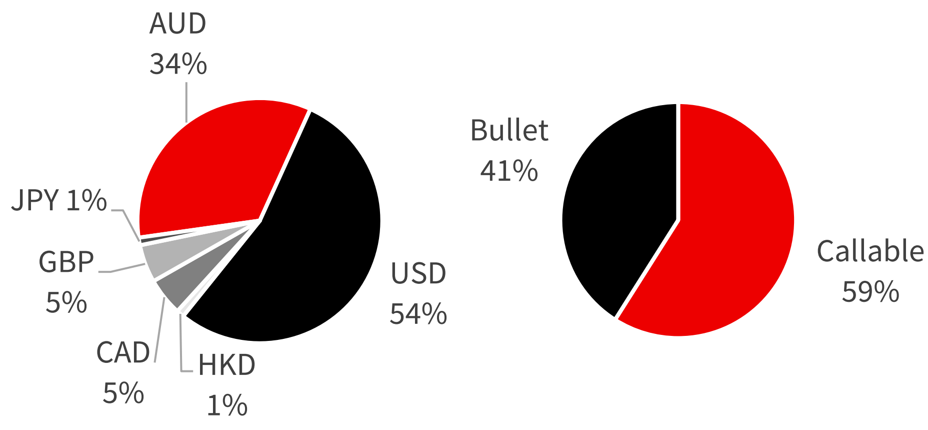
(1) Non standard mortgages are classified as mortgages with both an interest-only period of 5 years or more and an LVR above 80%

Loss-absorbing capacity

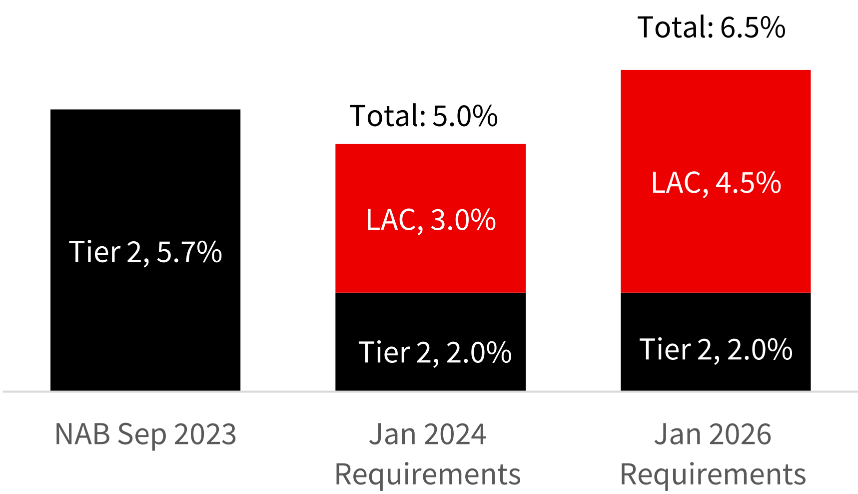
- Based on the Group's RWA and Total Capital position as at 30 Sep 23, NAB has met the interim Group Total Capital requirement for Jan 24, and has an incremental $3.6bn requirement by Jan 26
- $3.4bn of NAB's existing Tier 2 Capital has optional redemption dates prior to Jan 26[1]

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

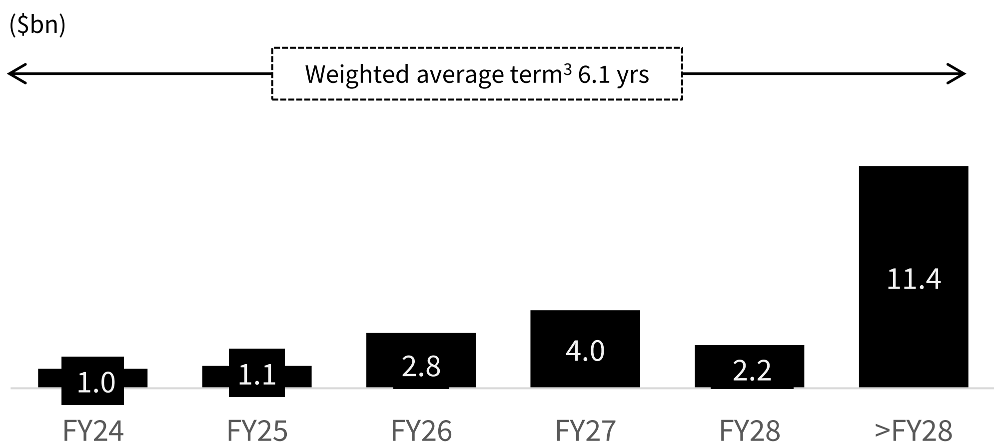
NAB Tier 2 outstanding issuance



APRA changes to major banks' capital structures



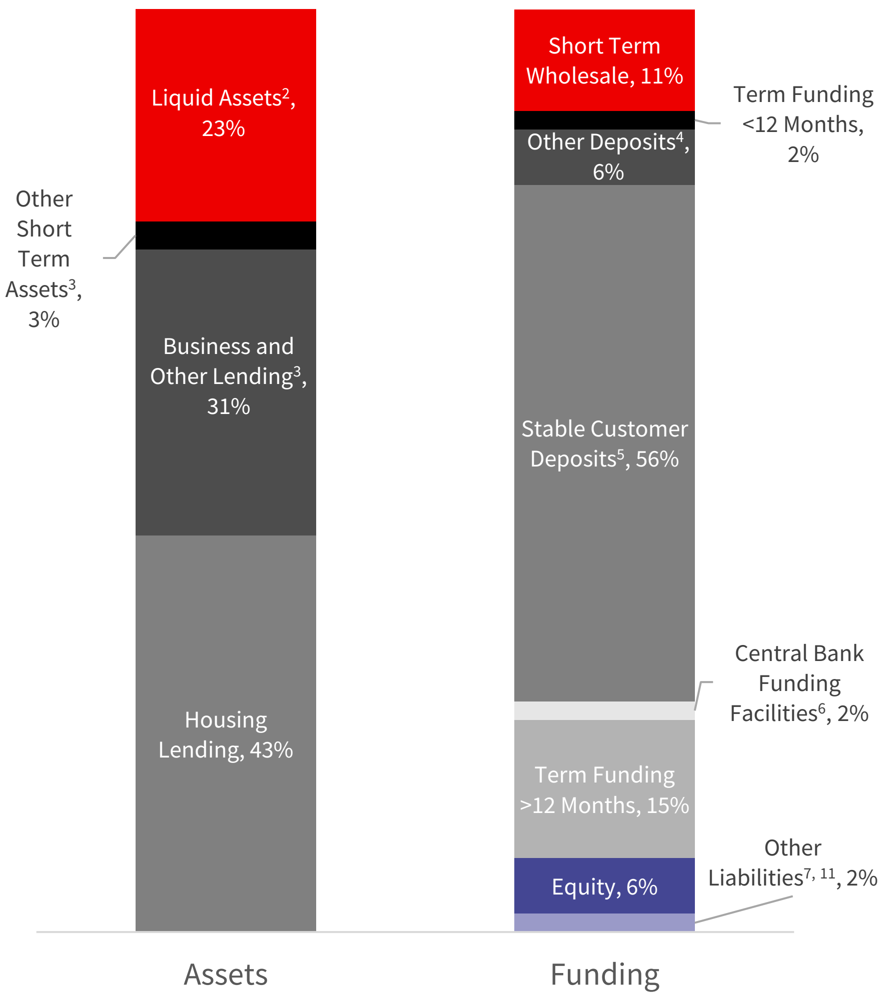
NAB Tier 2 runoff[2]



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

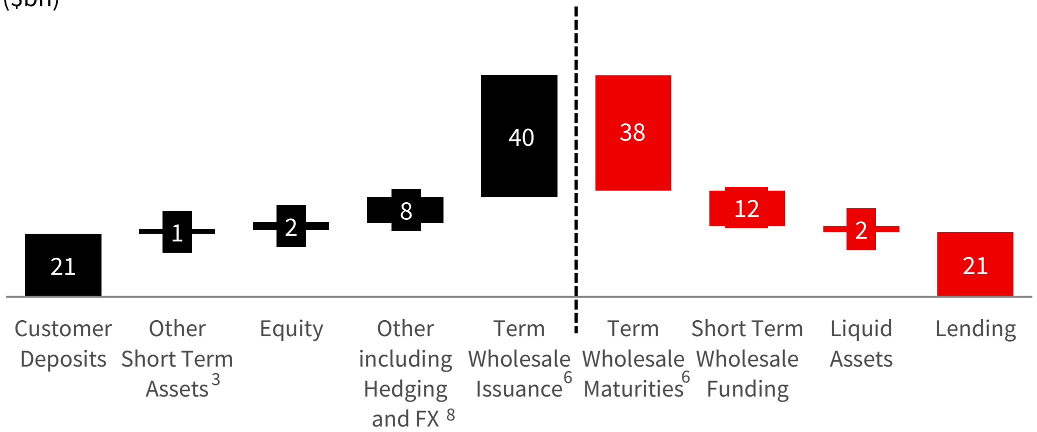
Asset Funding[1]

Funded balance sheet



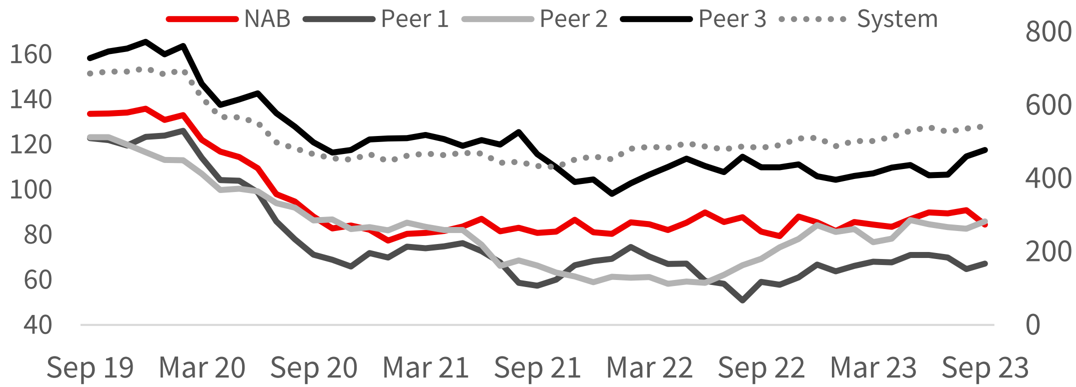
Group source and uses of funds, 12 months to 30 Sep 23

($bn)



Australian core funding gap[9,10]

($bn)

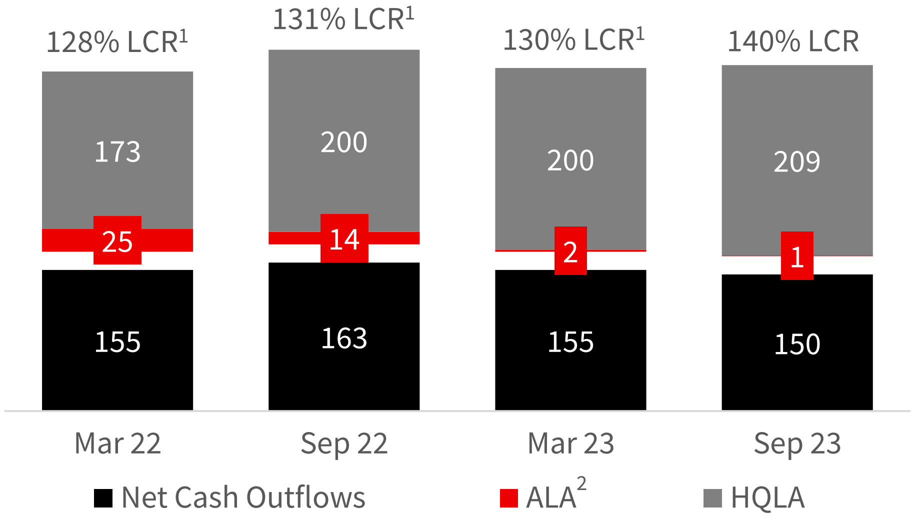


(1) All charts include Citi Consumer Business
(2) Liquid asset securities are measured at fair value with valuation changes recognised immediately through profit or loss or other comprehensive income
(3) Trade finance loans are included in other short-term assets, instead of business and other lending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

Liquidity

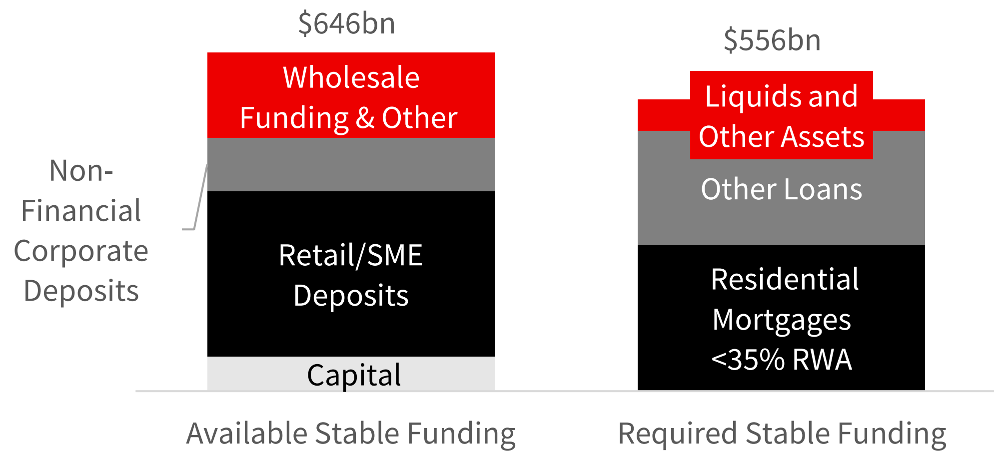
Liquidity coverage ratio (quarterly average)

($bn)



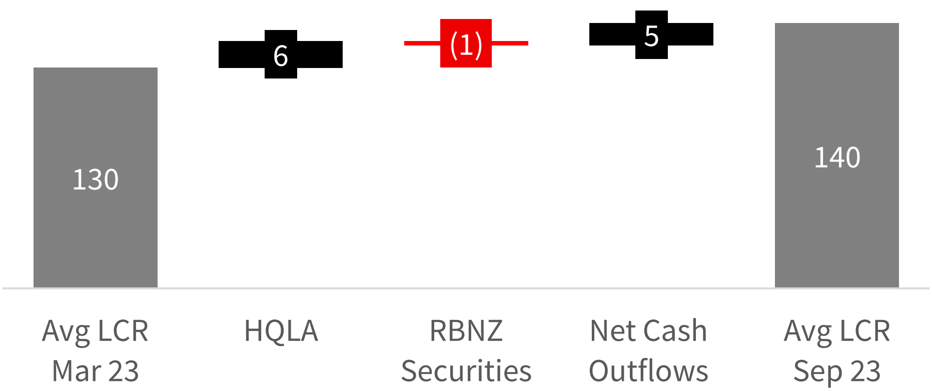
Net stable funding ratio composition

Group NSFR 116% as at 30 Sep 23



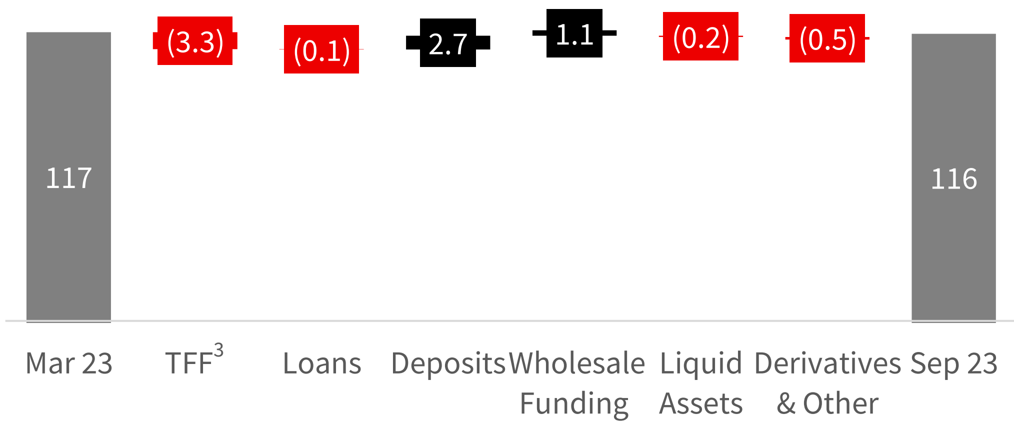
Liquidity coverage ratio movement

(%)



Net stable funding ratio movement

(%)

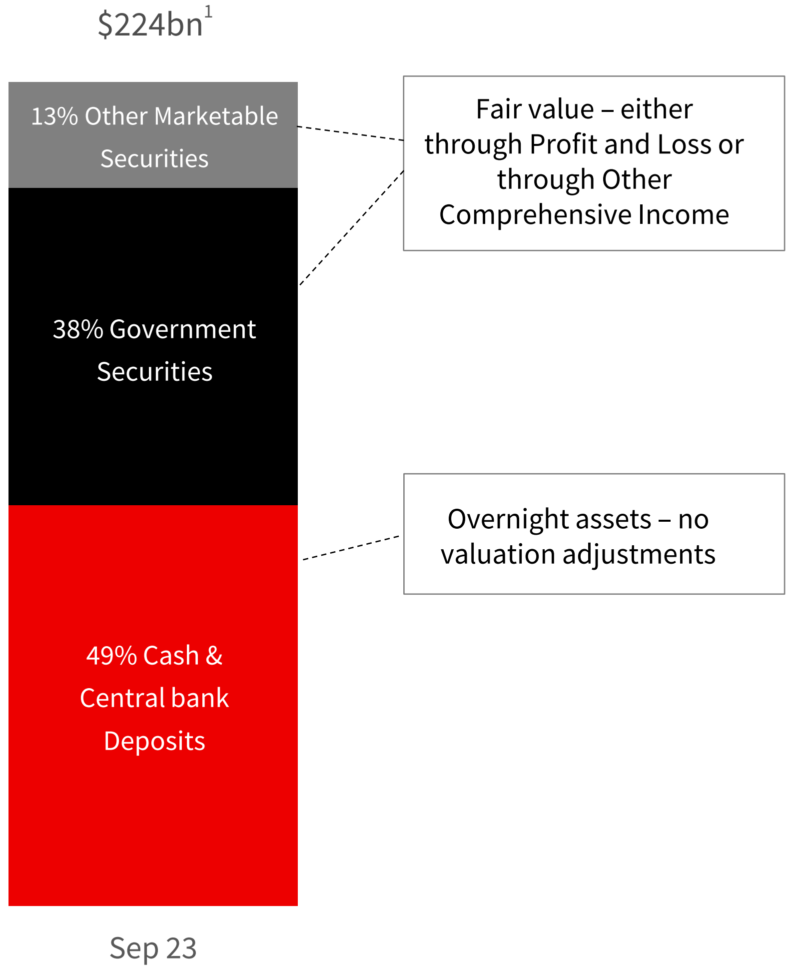


(1) Average LCR for the three months ended 31 March 2022 and 30 September 2022 has been restated from that previously disclosed. Details of the restatement are outlined in the Appendix of December 2022 Pillar 3 Report

(2) Alternative Liquid Assets (ALA). CLF and TFF values used in LCR calculation are the undrawn portion of the facility

(3) Includes the unwind of Available Stable Funding (ASF) and Required Stable Funding (RSF) benefits related to the TFF

Treatment of marketable securities and cash

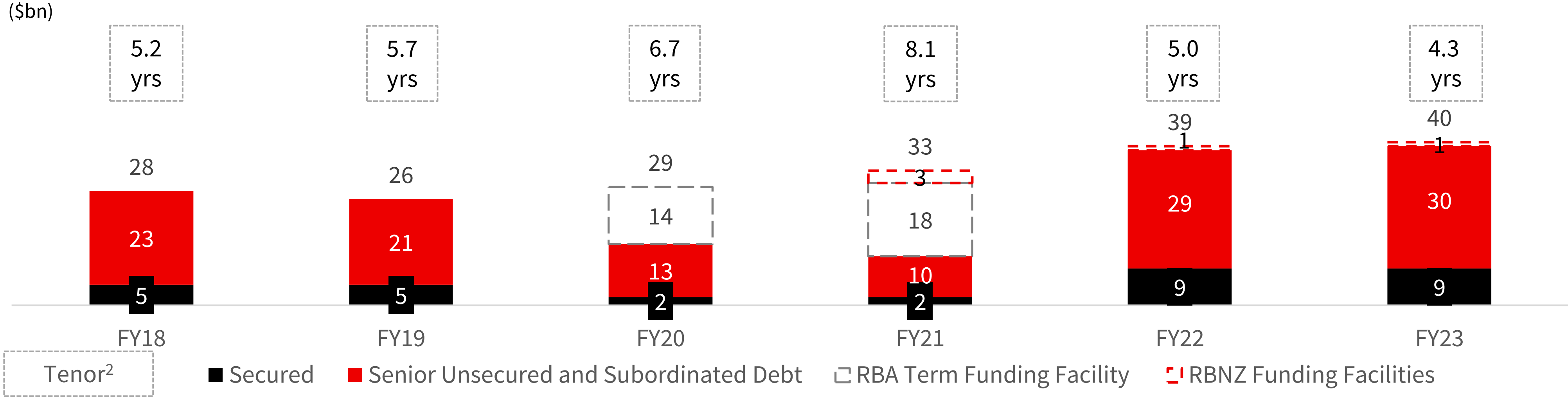


- NAB's marketable securities and cash of $224bn are largely regulatory compliant HQLA with small holdings for customer activities
- Over half of the regulatory compliant HQLA are held in cash or overnight deposits at central banks resulting in no interest rate risk
- Marketable securities are hedged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

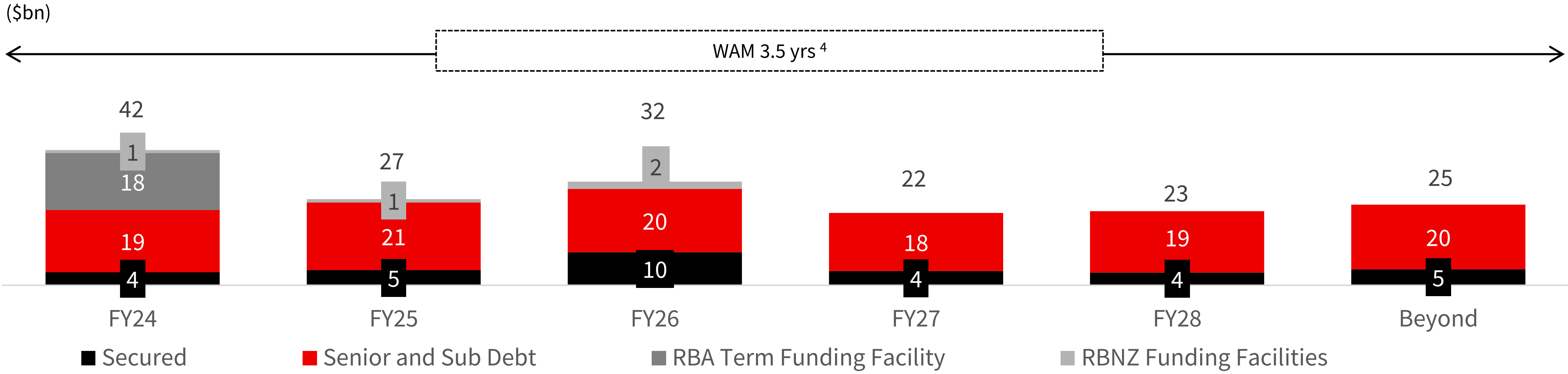
(1) Marketable securities and cash as per NAB's Funded Balance Sheet (refer slide 47)
(2) Treatment is determined under NAB's Accounting Policy with trading securities measured at fair value through profit and loss and debt instruments measured at fair value through other comprehensive income

Term wholesale funding profile

Historical term funding issuance[1]



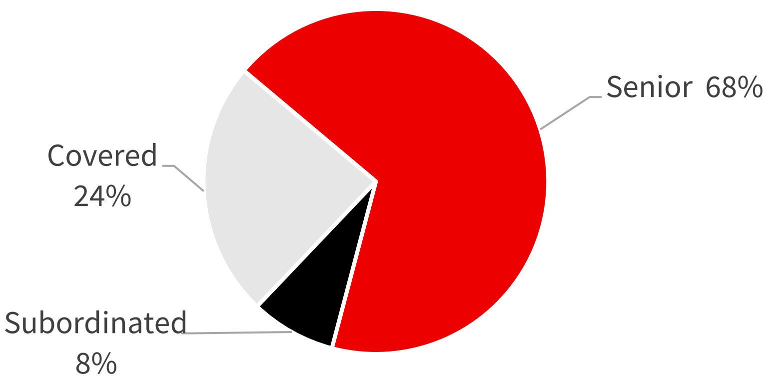
Term funding maturity profile[3]



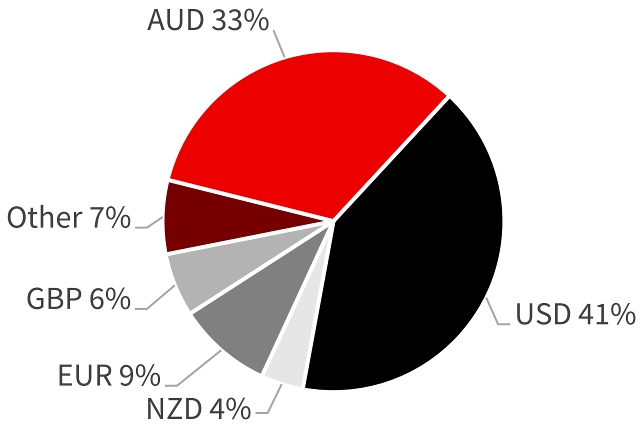
(1) Includes senior unsecured, secured (covered bonds and RMBS) and subordinated debt with an original term to maturity or call date of greater than 12 months, excludes Additional Tier 1 instruments and Citi's RBA Term Funding Facility. FX rate measured at time of issuance
(2) Weighted average maturity of new issuance, excludes Additional Tier 1, RMBS, RBA Term Funding Facility and RBNZ funding facilities
(3) Maturity profile of funding with an original term to maturity greater than 12 months, excludes Additional Tier 1 and RMBS. Spot FX rate at 30 September 2023
(4) Remaining weighted average maturity, excludes Additional Tier 1, RMBS, RBA Term Funding Facility and RBNZ funding facilities

Diversified & flexible term wholesale funding portfolio

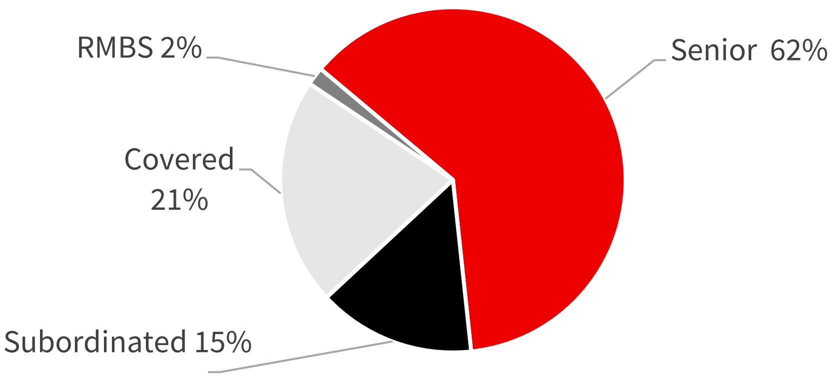
FY23 Issuance by product type[1]



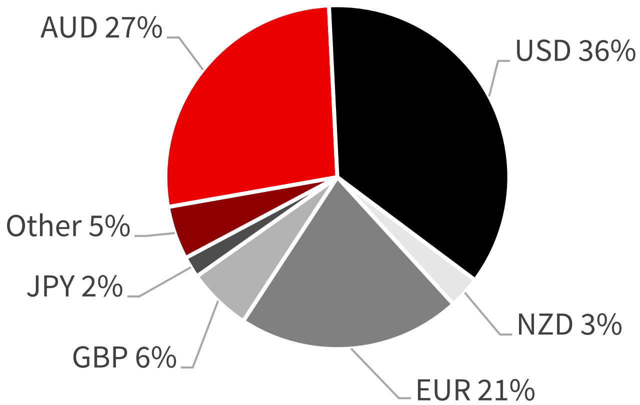
FY23 Issuance by currency[1]



Outstanding issuance by product type[1, 2]



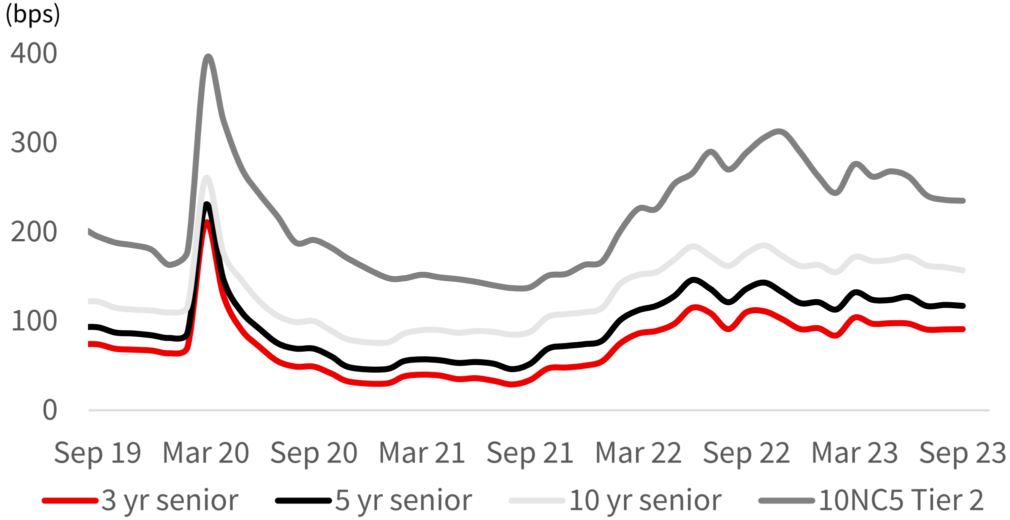
Outstanding issuance by currency[1]



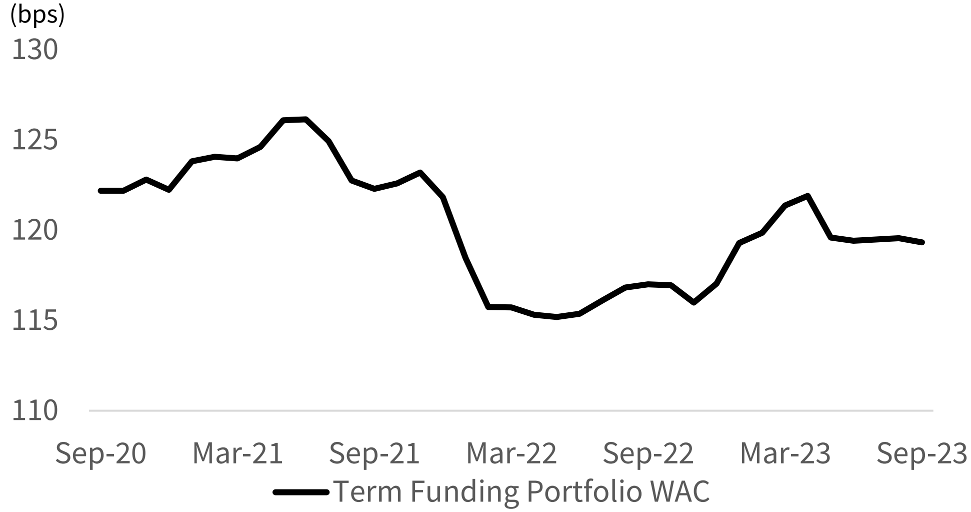
(1) Excludes Additional Tier 1, RBA Term Funding Facility and RBNZ funding facilities
(2) At 30 September 2023, NAB has utilised 38% of its covered bond capacity. Capacity based on current rating agency over collateralisation (OC) and legislative limit

Funding costs

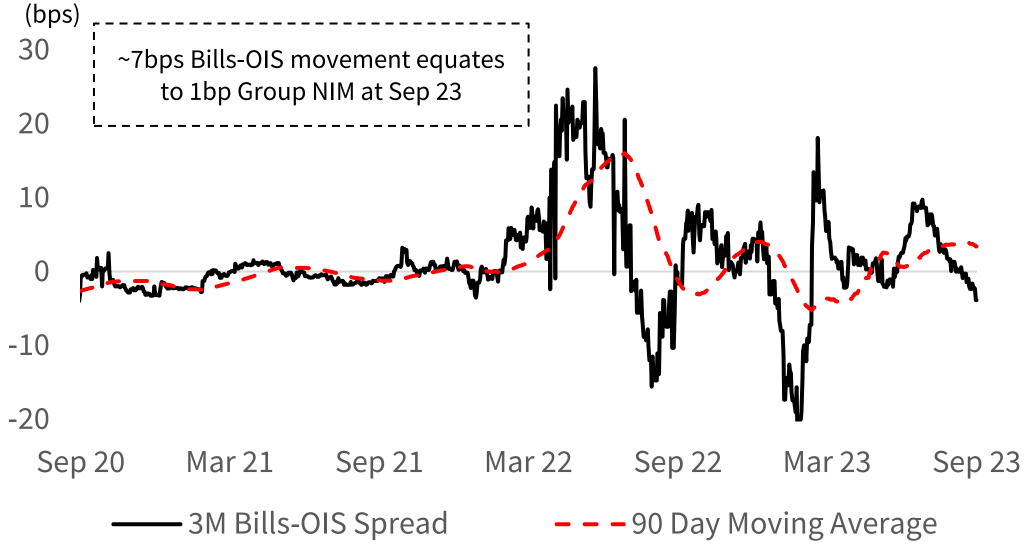
Indicative term wholesale funding issuance costs[1]



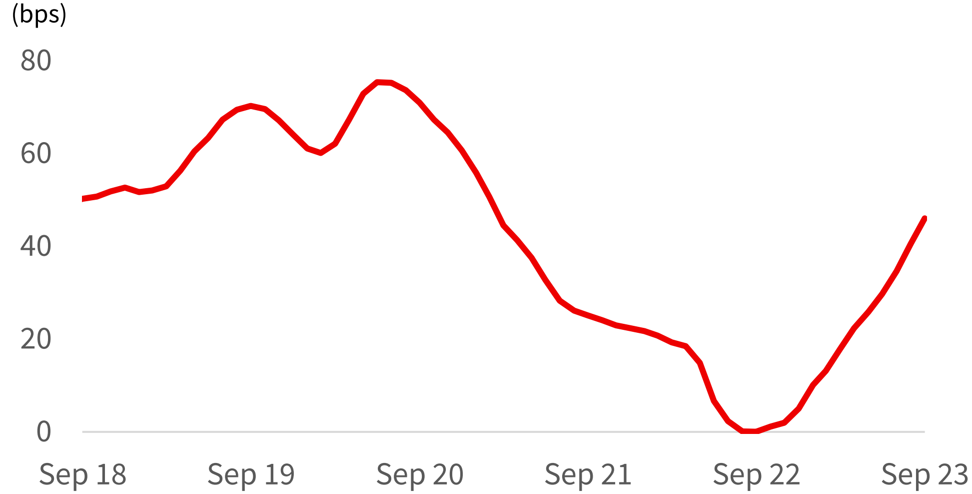
Average term wholesale funding costs[2]



Domestic short term wholesale funding costs[3]



Australian term deposit portfolio costs[4]



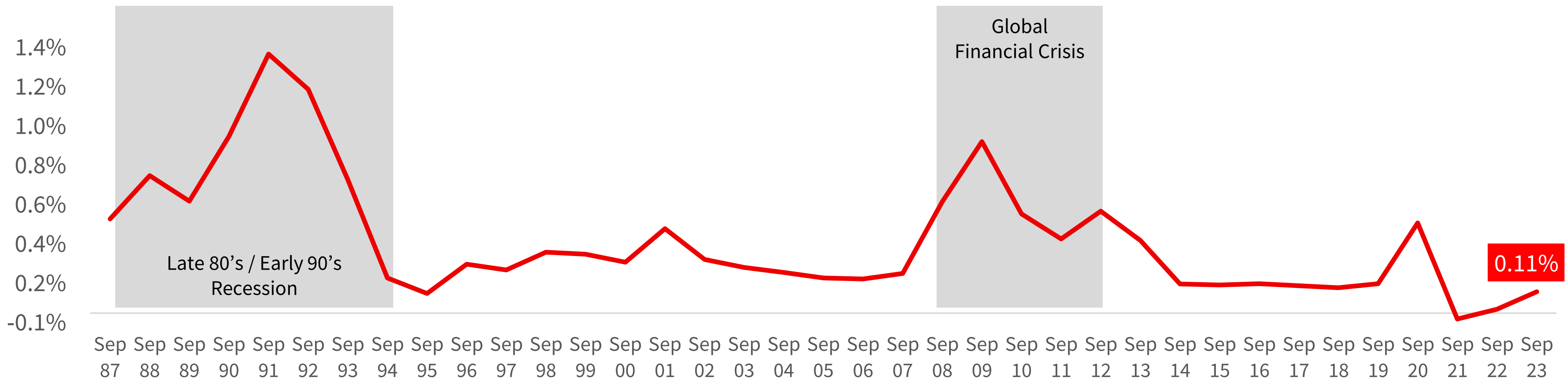
(1) Indicative major bank wholesale subordinated and senior unsecured funding rates over 3m BBSW using a blend of multi-currency inputs (3 years, 5 years, 10 years and 10-year non-call 5-years)
(2) NAB Ltd term wholesale funding costs >12 months at issuance (spread to 3 month BBSW), includes subordinated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

Additional information

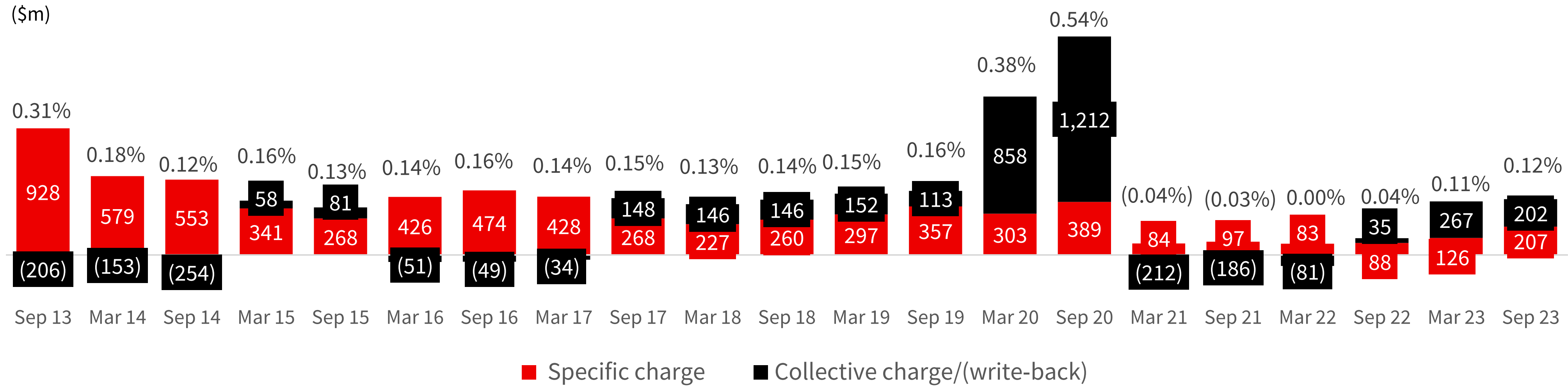
Group Asset Quality

Group credit impairment charge

Credit impairment charge as % of GLAs



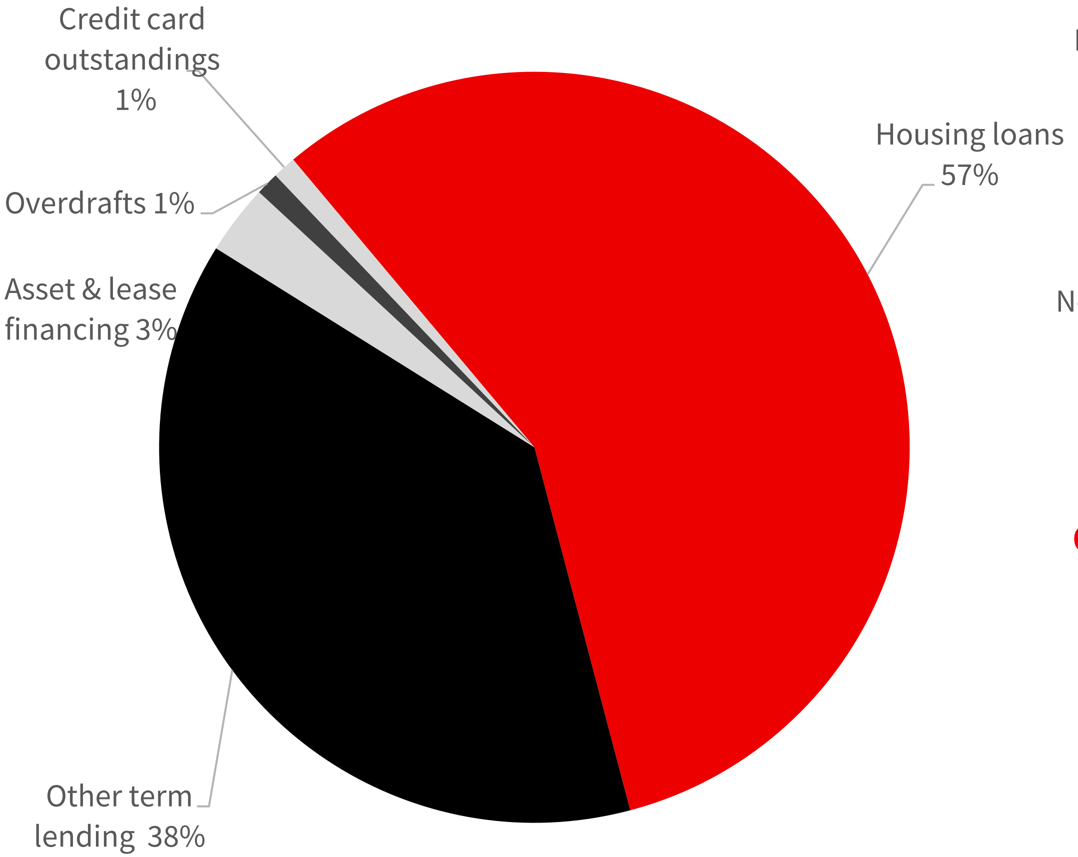
Credit impairment charge and as a % of GLAs[1]



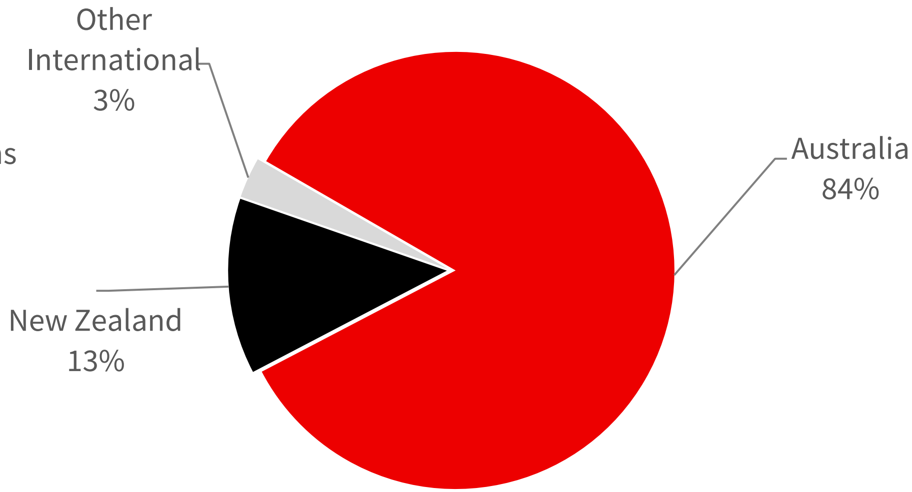
(1) Ratios for all periods refer to the half year ratio annualised

Group lending mix

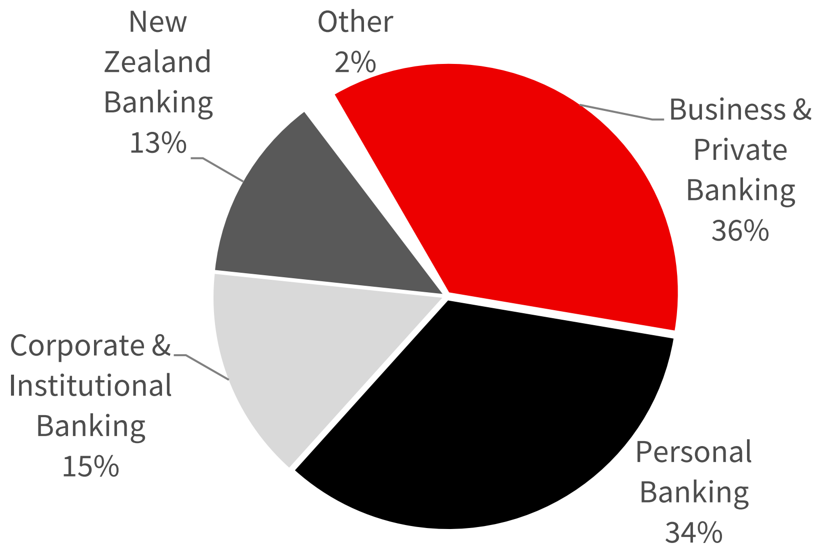
Gross loans and acceptances by product - $708.5bn



Gross loans and acceptances by geography[1]



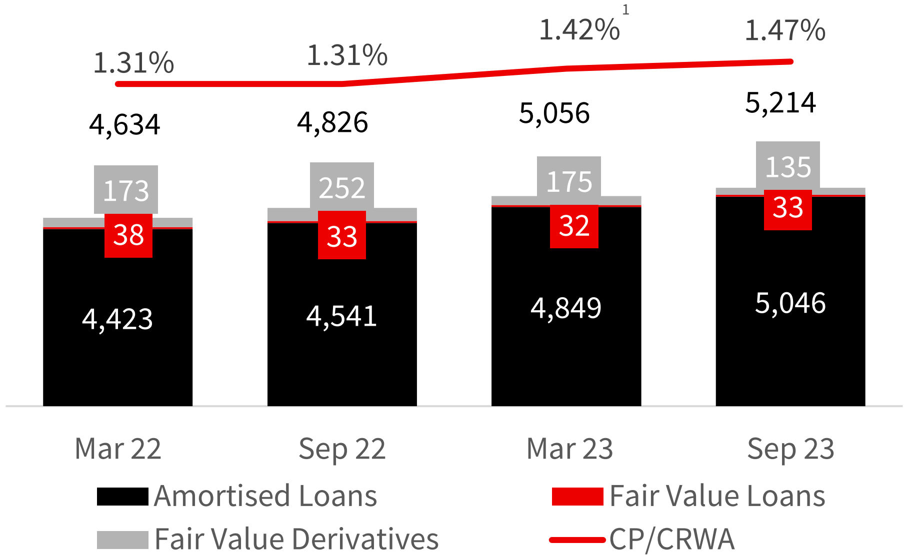
Gross loans and acceptances by business unit



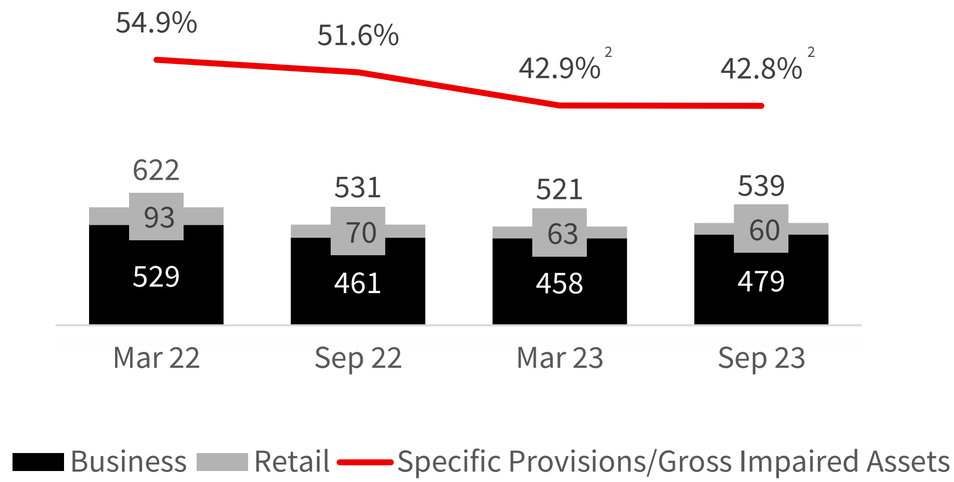
(1) Based on booking office where transactions have been recorded

Group provisions

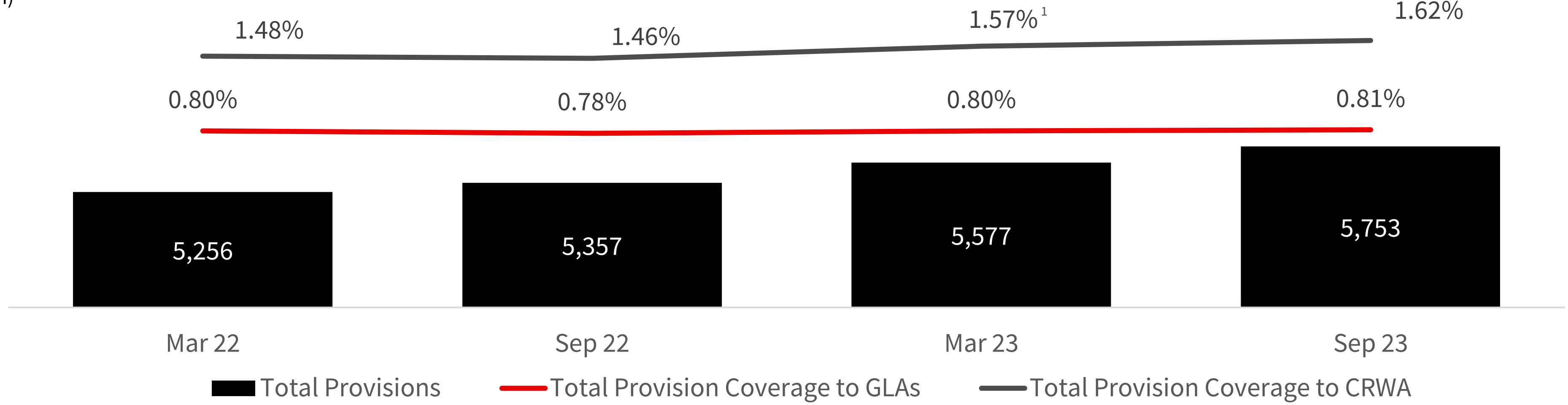
Collective provisions
($m)



Specific provisions
($m)



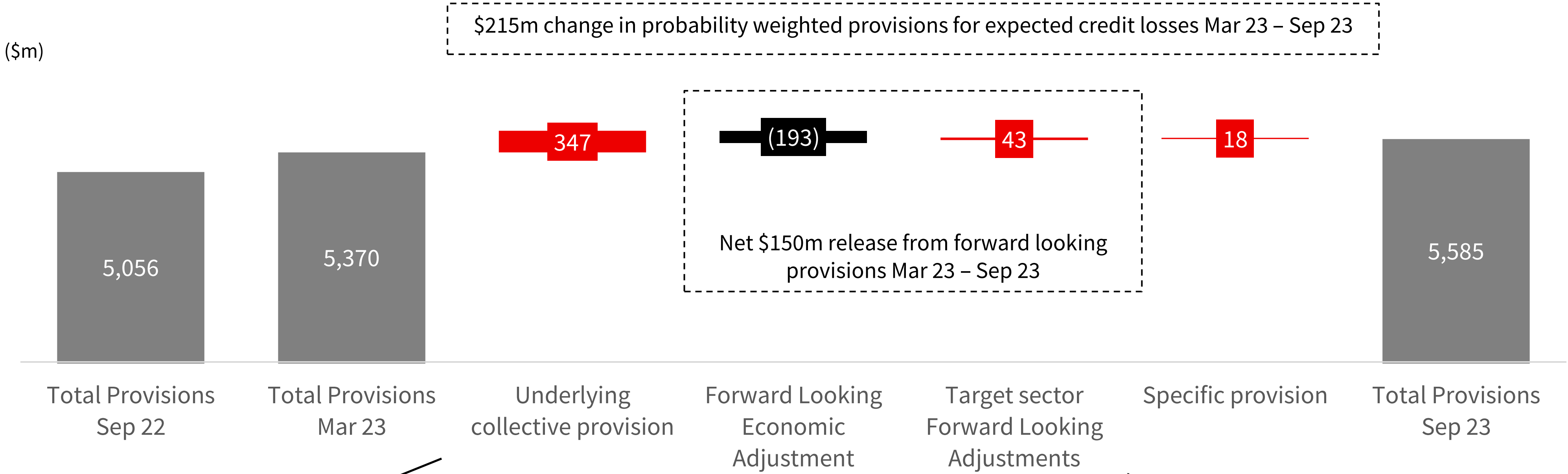
Total provisions
($m)



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

Provisions

Movement in provisions[1]



Underlying CP

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

Economic adjustment (EA)

- Forward view of additional stress across portfolio, according to 3 probability weighted scenarios (upside, base case & downside)
- Scenarios based on forward looking macro economic data and granular PD and LGD assumptions
- EA top-up required where probability weighted EA higher over the period (and vice versa)
- 2H23 EA decrease of $193m reflects modest improvement in overall economic outlook and credit deterioration in underlying outcomes

Target sector FLAs

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

(1) Excludes provisions on fair value loans and derivatives

Expected Credit Losses (ECL) assessment

ECL scenarios & weightings

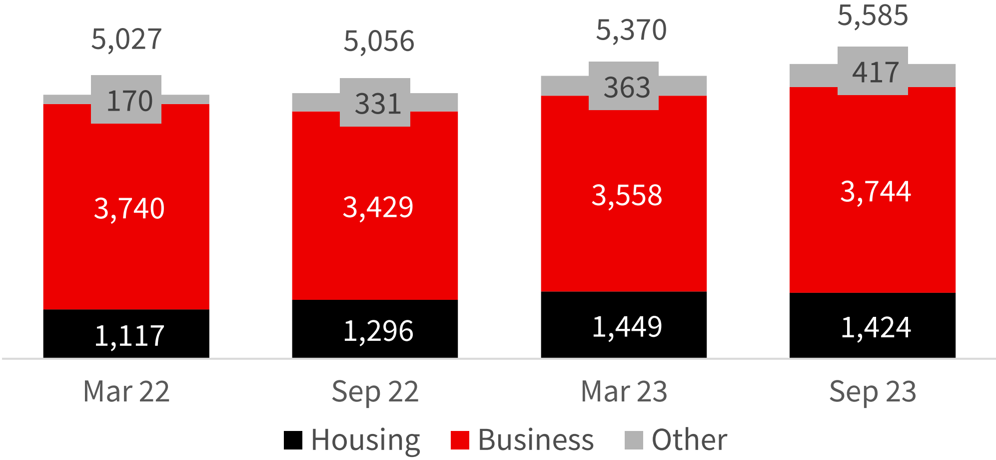
Total Provisions for ECL[1,2]			
$m	2H23 (probability weighted)	100% Base case	100% Downside
Total Group	5,585	4,000	7,546
Increase/ (decrease) from Mar 23	215	(493)	1,092
Macro economic scenario weightings			
Group Portfolio (%)	**Upside**	**Base case**	**Downside**
31 Mar 23	2.5	52.5	45.0
30 Sep 23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

Key considerations

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

Total provisions for expected credit losses[1]

($m)



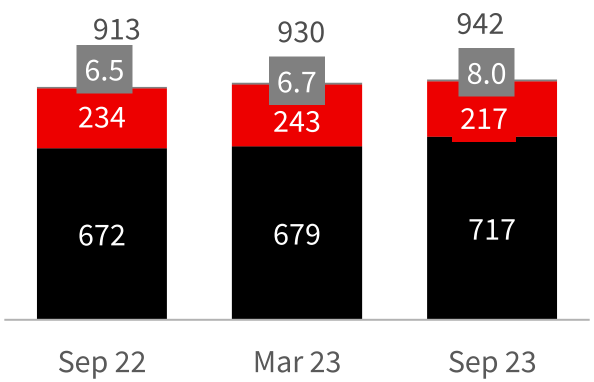
Economic assumptions

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

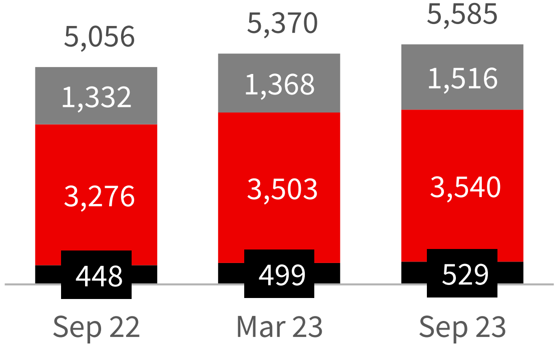
(1) ECL excludes provisions on fair value loans and derivatives
(2) Scenarios, prepared for purposes of informing forward looking provisions, rely on NAB Economics modelling and management judgement. The base case macro-economic variables are based on NAB Economics forecasts as at 30 September 2023

ECL provisioning by stages

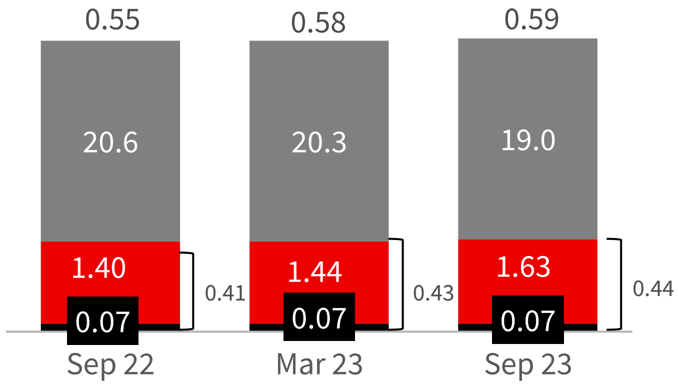
Loans and advances by stage[1]
($bn)



Provisions by stage[2]
($m)



Provision coverage by stage[3]
(%)



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

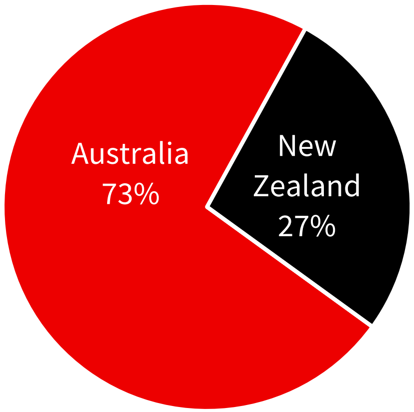
	Status	**Type of provision**
Stage 1 (12 month ECL)	Credit risk not increased significantly since initial recognition; performing	Collective
Stage 2 (Lifetime ECL)	Credit risk increased significantly[4] since initial recognition but not credit impaired	Collective
Stage 3 (Lifetime ECL)	Credit impaired: default no loss Credit impaired: default with loss	Collective Specific

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

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

Agriculture, forestry & fishing exposures[1]

Group EAD $61.0bn September 2023

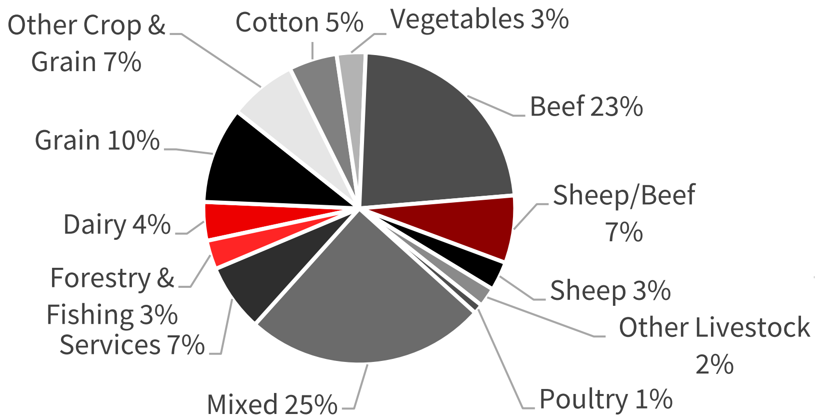


Key Australian considerations

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

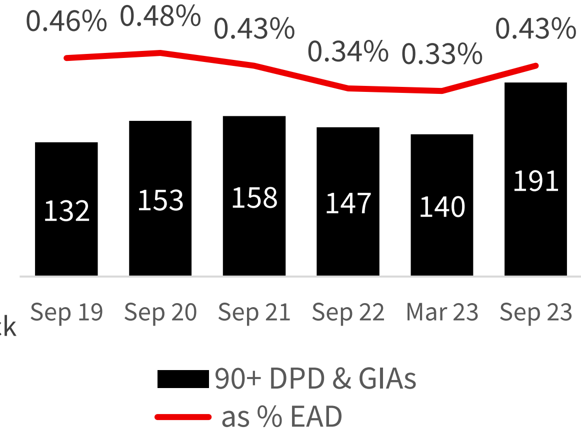
Australian Agriculture, Forestry & Fishing

Portfolio EAD $44.8bn September 2023

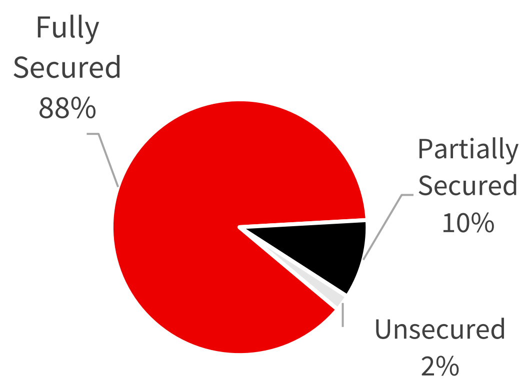


Australian agriculture asset quality

($m)



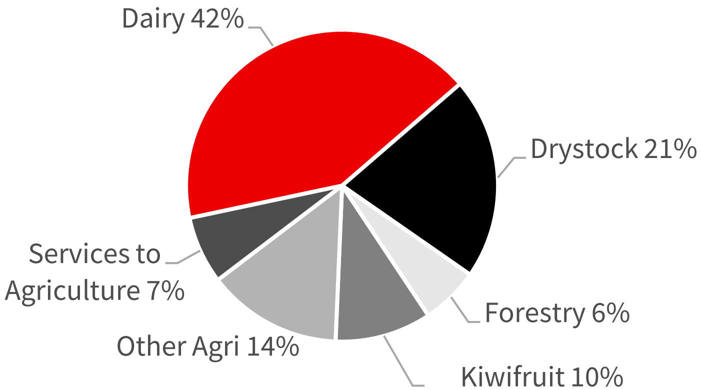
Australian agriculture portfolio well secured[2]



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

New Zealand Banking agriculture exposures[1]

EAD NZ$17.4bn September 2023[1]

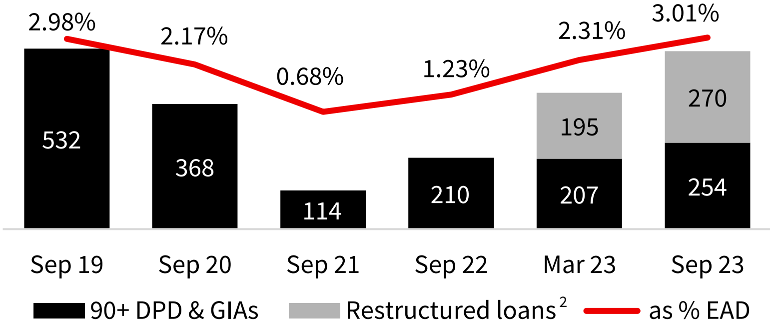


Key considerations

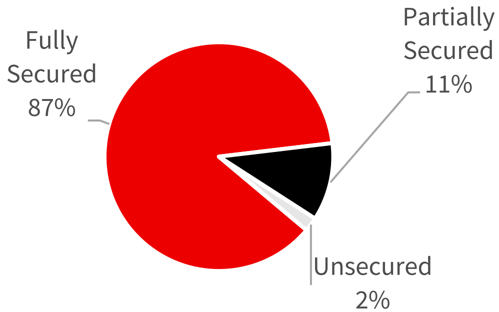
- 90+ DPD and impaired assets higher since Sep 21 given lower commodity prices, high farm inputs inflation (fuel, fertiliser, wages) and interest rate rises
- Largest sector exposure is dairy at 42%, down from 57% at Sep 2016
  - Outlook challenging with substantial drop in Fonterra forecast Farm Gate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

New Zealand Agri asset quality

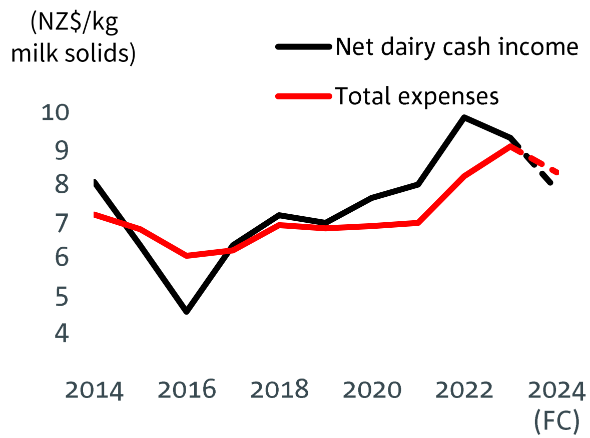
(NZ$m)



Portfolio well secured[1,3]



Dairy farm viability[4]



(1) Includes ANZSIC Level 1 classifications of agriculture, forestry & fishing based on the counterparty to which the Group is exposed to credit risk, including guarantors and derivative counterparties
(2) Sep 2023 includes a portfolio of customers affected by severe weather events. These customers have been classified as "Restructured loans" in accordance with APS 220 Credit Risk Management. Excluding the impact of the restructured loans, 90+DPD & GIA ratio would be 1.19% at Mar 23 and 1.46% at Sep 23
(3) Fully Secured is where the loan amount is less than 100% of the bank extended value of security; Partially Secured is where the loan amount is greater than 100% of the bank extended value of security; Unsecured is where no security is held and/or no value held against the security and negative pledge arrangements may be in place. Bank extended value is calculated as a discount to market value based on the nature of the underlying security
(4) Source: DairyNZ Econ Tracker. Net dairy income is cash received in the year from milk, dividends and net stock sales. Total Expense includes farm working expenses, interest and rent, net drawings, depreciation and tax. 2023 and 2024 represent forecast periods

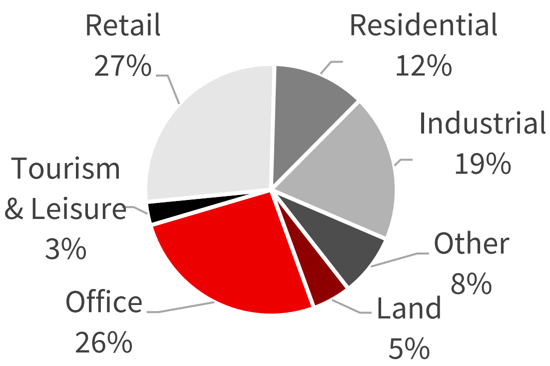
Commercial real estate (CRE)[1]

Gross loans & acceptances (GLAs)

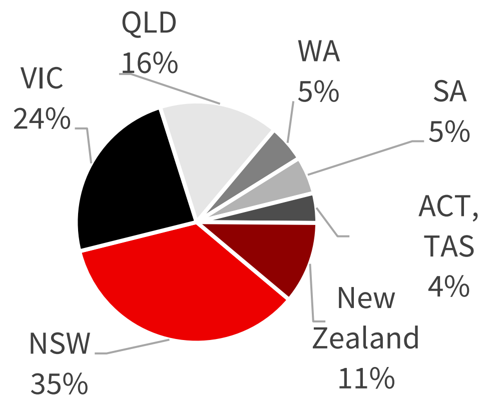
	Australia	New Zealand	Total[2]
Total CRE (A$bn)	63.3	7.0	70.4
Increase/(decrease) from Sep 22 (A$bn)	4.6	(0.1)	4.5
% of geographical GLAs	10.7%	7.3%	9.9%
Change in % from Sep 22	0.5%	(0.8%)	0.3%

Breakdown by total GLAs

By sector

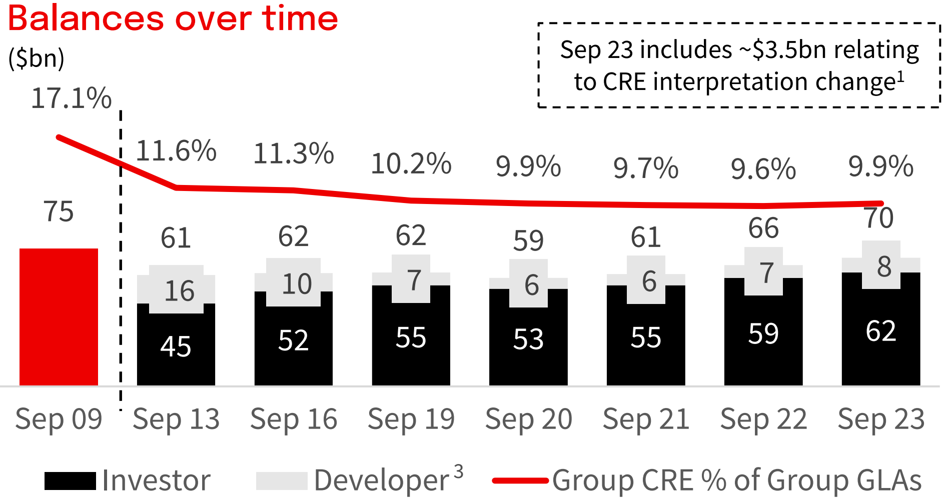


By geography

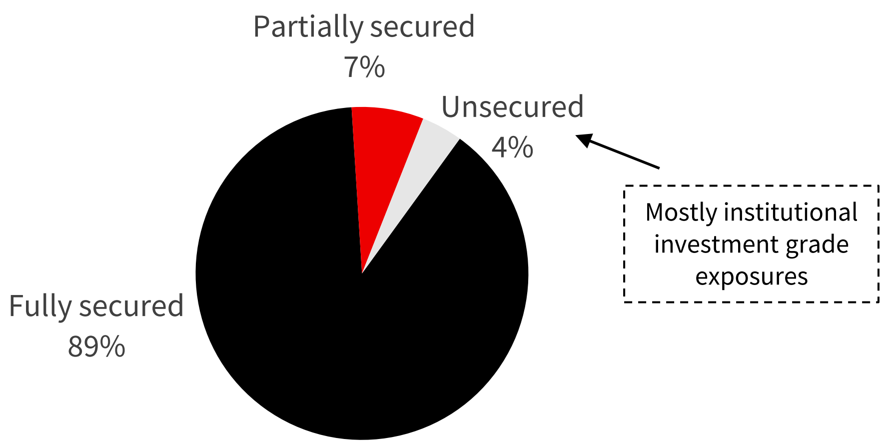


Balances over time

($bn)



Group CRE Security Profile[4]



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

(2) Includes overseas offices not separately disclosed

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

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

Commercial real estate[1]

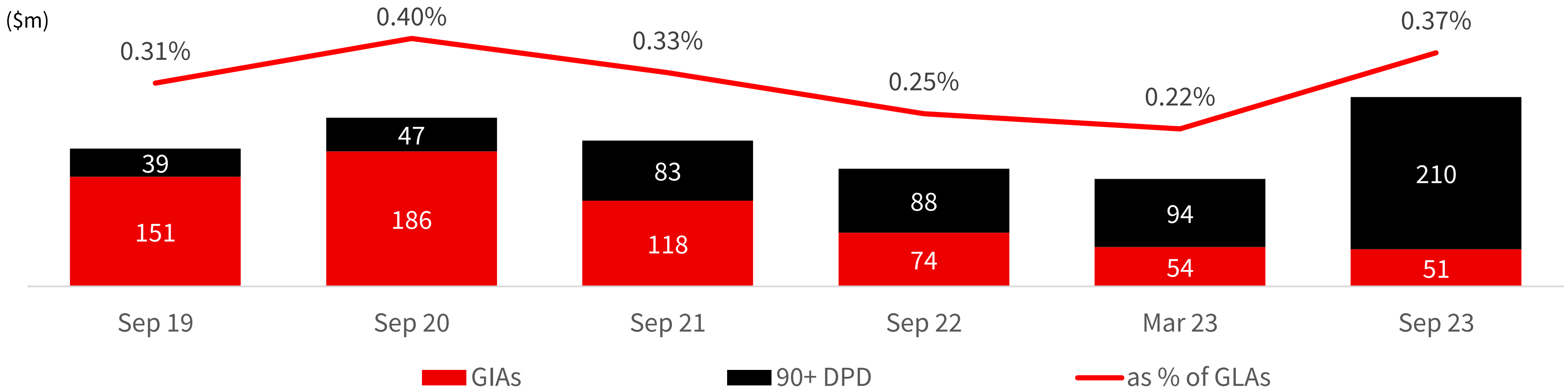
Key asset quality considerations

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

Sector considerations

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

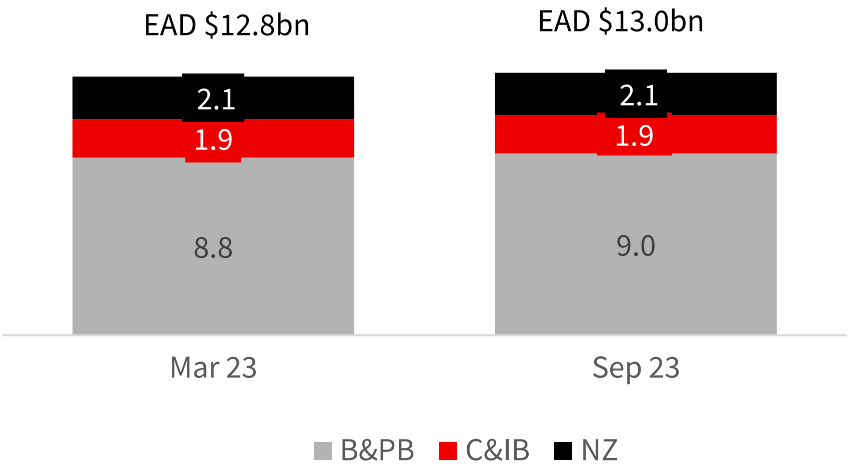
90+ DPD and GIAs and as % GLAs



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

Construction[1]

Exposure at default

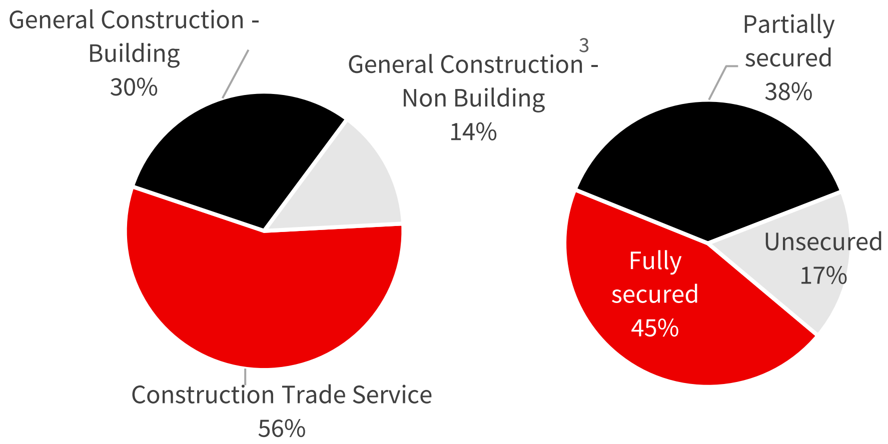


Key considerations

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

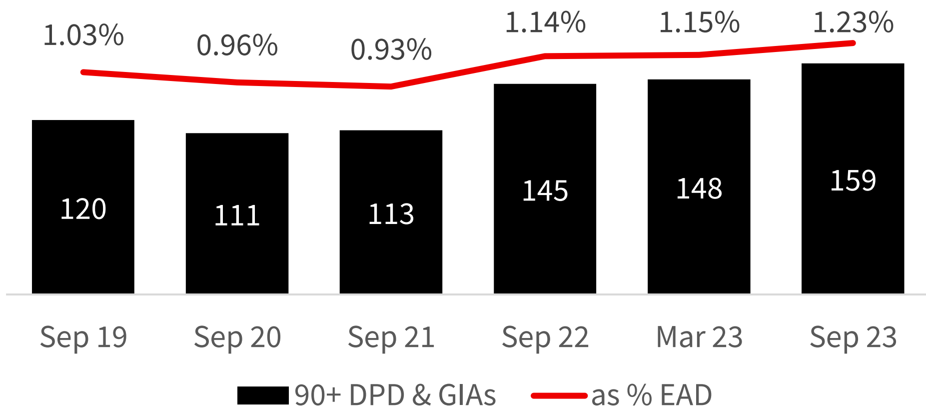
Australian Construction	B&PB	C&IB	Total
EAD ($bn)	9.0	1.9	10.9
# customers	~25k	~300	~25k
% Fully or Partially Secured	94%	45%	83%

EAD portfolio by sector and security[2]



90+ DPD and GIAs and as % of sector EAD

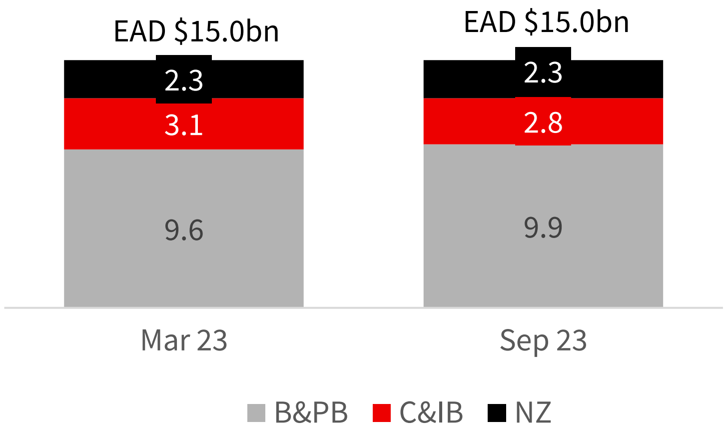
($m)



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

Retail Trade[1]

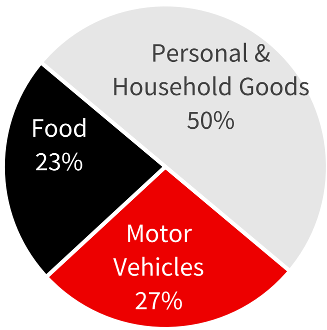
Exposure at default

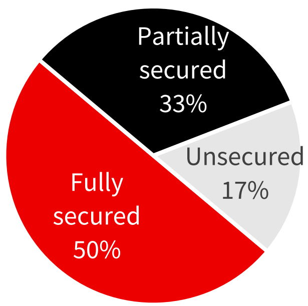


Key considerations

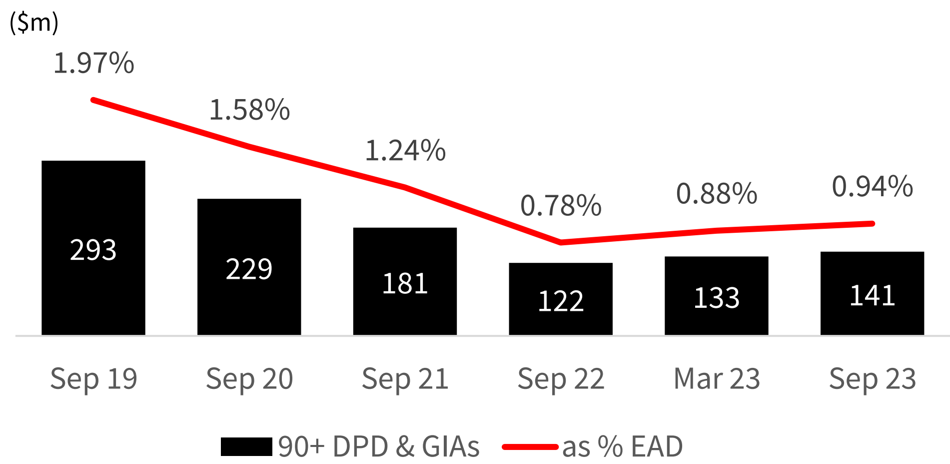
- Nominal retail trade spend remains robust, led by spending at cafes & restaurants, offsetting slower spend on goods
- Consumption growth expected to weaken further over balance of 2023 and into 2024
- Provisioning includes $68m target sector FLA
- ~2% non retail EAD

EAD portfolio by sector and security[2]





90+ DPD and GIAs and as % of sector EAD

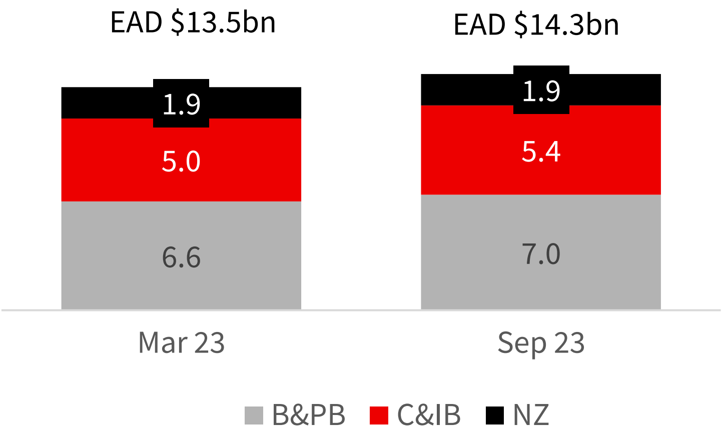


(1) Based on ANZSIC Level 1 classifications of the counterparty to which the Group is exposed to credit risk, including guarantors and derivative counterparties. Discretionary / Non-discretionary Retail Trade determined at an individual ANZSIC code level

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

Tourism, hospitality and entertainment[1]

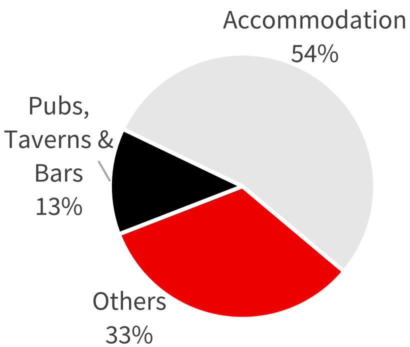
Exposure at default

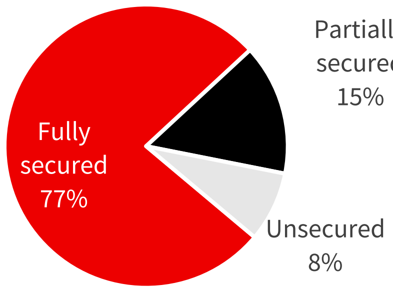


Key considerations

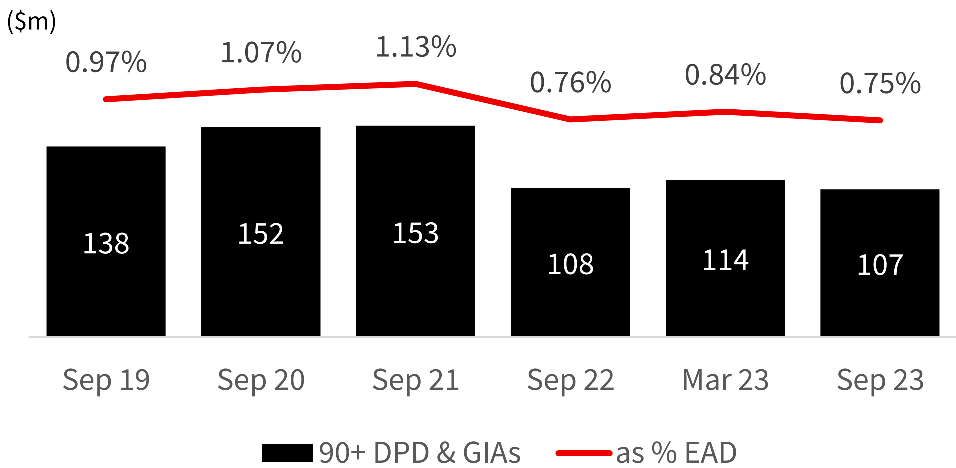
- Industry data suggests trading performance for Tourism and Entertainment operators remains robust, notwithstanding wage/electricity cost increases and reduced savings levels
- Consumer confidence, discretionary spending, higher cost of living and increased interest rates not immediately reflected in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

EAD portfolio by sector and security[2]





90+ DPD and GIAs and as % of sector EAD

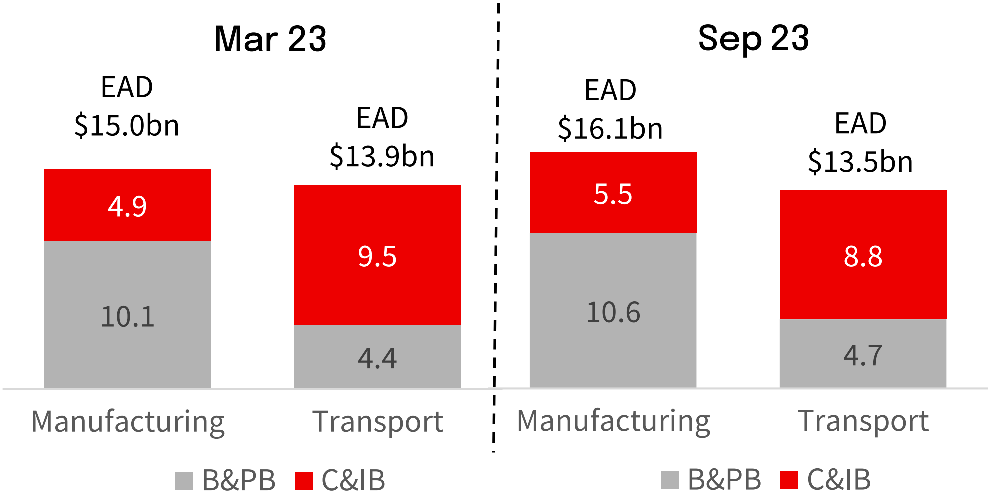


(1) Based on the ANZSIC Level 1 classifications of accommodation and hospitality, plus cultural and recreational services; based on the counterparty to which the Group is exposed to credit risk, including guarantors and derivative counterparties

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

Australian Energy[1]

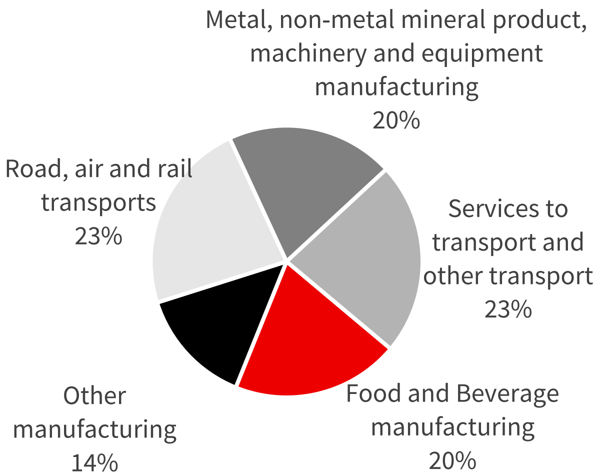
Exposure at default

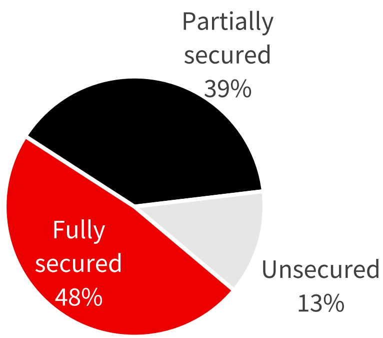


Key considerations

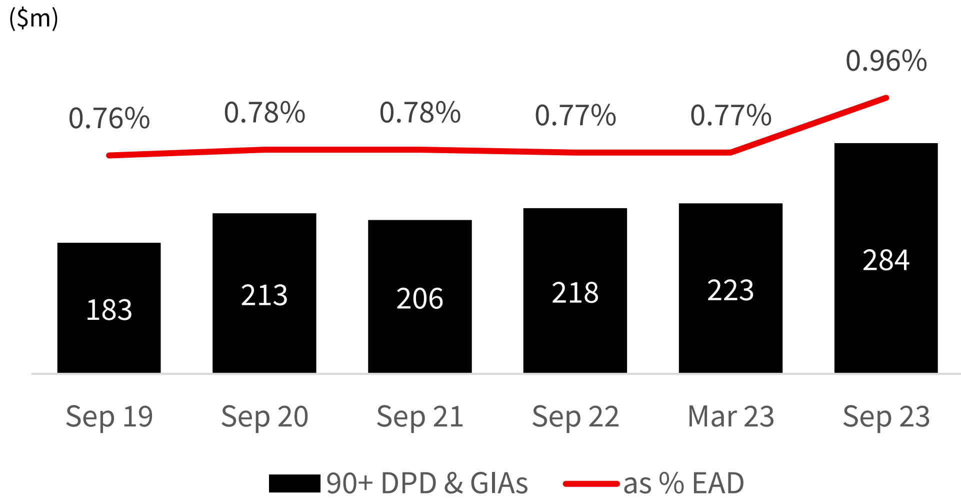
- The outlook for domestic energy prices remains elevated including as a result of geographical tensions
- Manufacturing and Transport expected to be disproportionately impacted by elevated energy costs due to their high energy consumption
- Increase in 90+ DPD and GIA ratio in 2H23 primarily reflects a single name exposure
- Provisioning includes $39m of target sector FLA
- ~5% of non retail EAD

EAD portfolio by sector and security[2]





90+ DPD and GIAs and as % of sector EAD



(1) Australian energy includes ANZSIC Level 1 classifications of Manufacturing and Transport due to high energy consumption, based on the counterparty to which the Group is exposed to credit risk, including guarantors and derivative counterparties. EAD is shown for the Australian geographical area, based on the booking office where the exposure was transacted

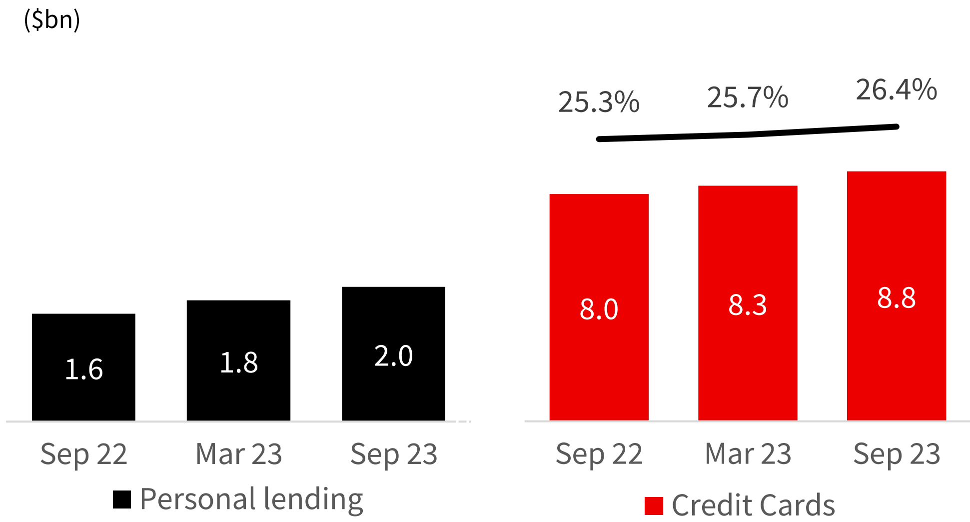
(2) Fully Secured is where the loan amount is less than 100% of the bank extended value of security; Partially Secured is where the loan amount is greater than 100% of the bank extended value of security; Unsecured is where no security is held and/or no value held against the security and negative pledge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

Unsecured lending

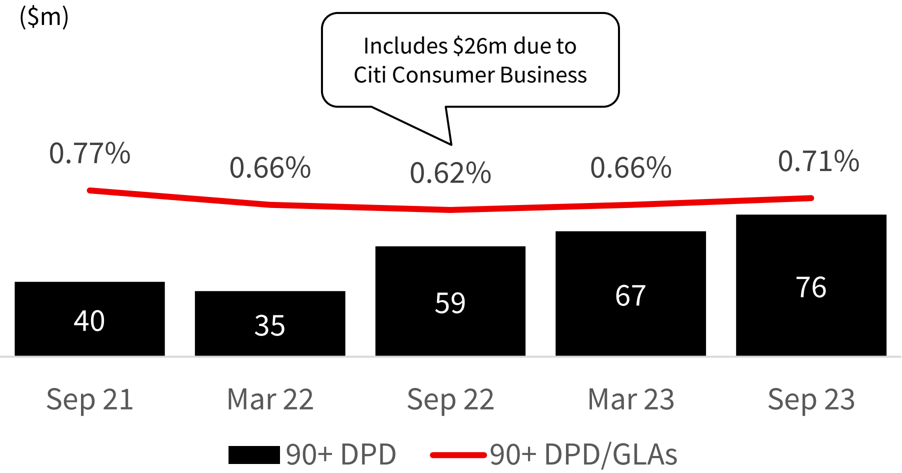
Key considerations

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

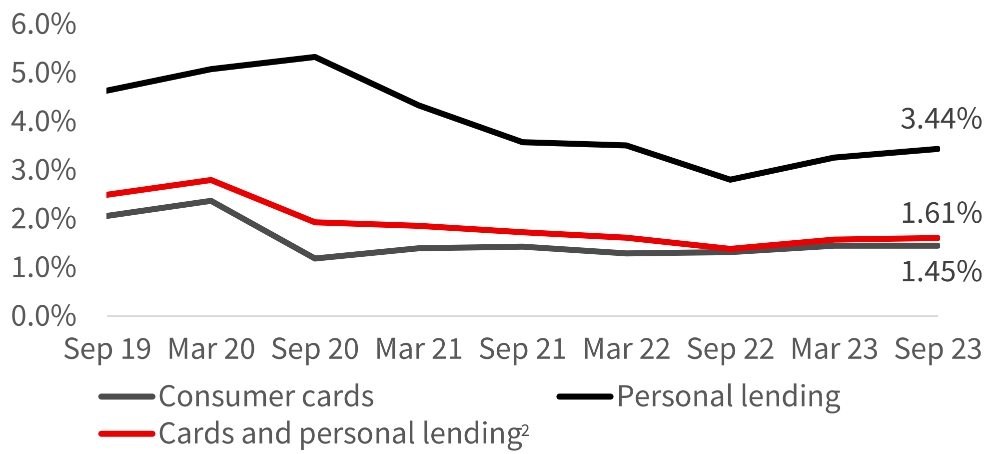
Balance and market share[1]



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



30+DPD as % of outstandings

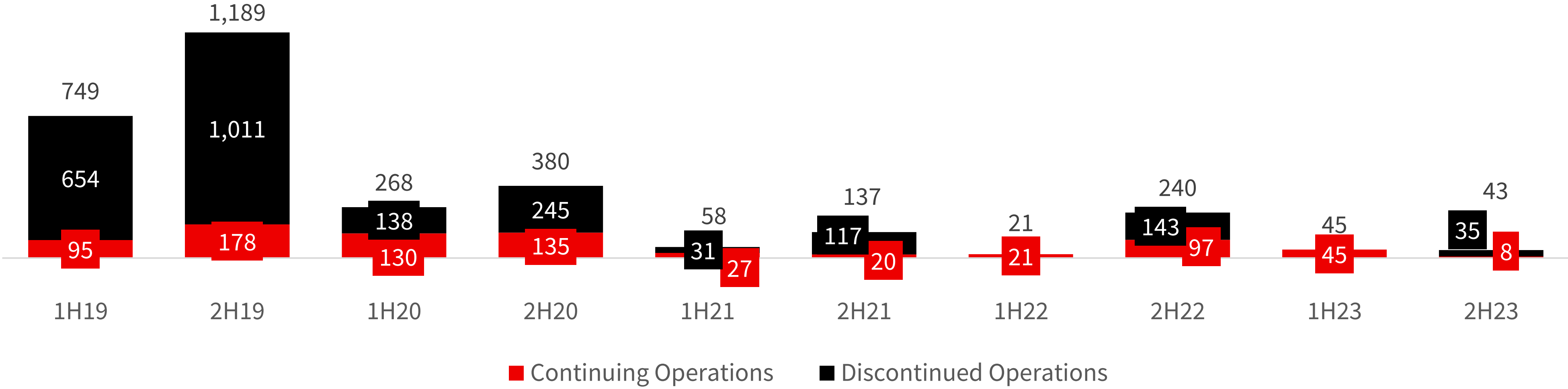


(1) Market share refers to consumer cards only. APRA Monthly ADI statistics
(2) Includes consumer and commercial cards

Customer-related remediation

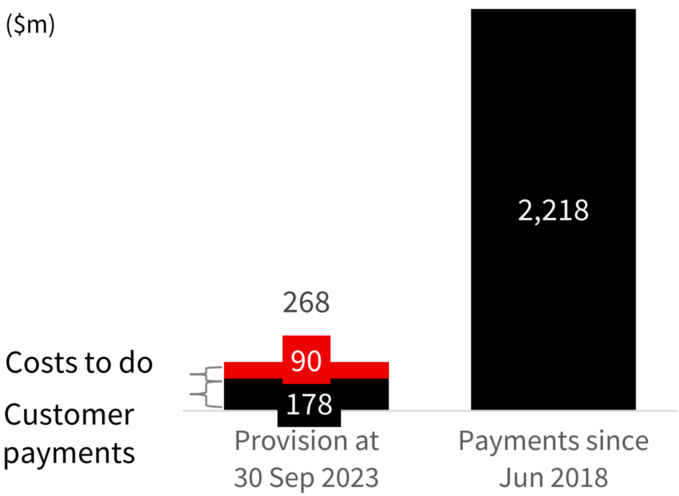
Customer-related remediation provision charges[1]

($m)



Customer-related remediation provisioning and utilisation

($m)



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

Customer remediation

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

(1) Charges were included as large notable items in FY19 and FY20. Charges are shown pre-tax and include both operating expenses and contra revenue amounts

AUSTRAC Enforceable Undertaking

Overview of Enforceable Undertaking

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

Status as at Sep 23

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

Additional product information

Australian Housing Lending

Housing lending key metrics[1]

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

(1) Excludes Citi Consumer Business and 86 400 platform (ubank housing lending originated on the 86 400 platform)
(2) Drawdowns is defined as new lending excluding limit increases and redraws in the previous six month period

(3) Excludes line of credit products
(4) 12 month rolling Net Write-offs / Spot Drawn Balances

Housing lending practices & policies

Key origination requirements

Income	• Income verified using a variety of documents including payslips and/or checks on salary credits into customers' accounts • 10% shading applies to rental income (Nov 22) • Rental expenses included in serviceability calculation post-household expenses calculation. Rental expenses floor set at minimum 10% of rental income (Mar 23) • 20% shading applies to other less certain income types
Household expenses	Assessed using the greater of: • Customers' declared living expenses, enhanced in 2016 to break down into granular sub categories • Household Expenditure Measure (HEM) benchmark plus specific customer declared expenses (e.g. private school fees). HEM is adjusted by income and household size
Serviceability	• Assess customers' ability to repay based on the higher of the customer rate plus serviceability buffer (3.0%[1]) or the floor rate (5.75%[2]) • Assess Interest Only loans on the full remaining Principal and Interest term • **Lowered our serviceability buffer to 1% for customers who meet certain criteria (Jul 23)**
Existing debt	• Verify using declared loan statements and assess on the higher of the customer rate plus serviceability buffer (3.0%[1]) or the floor rate (5.75%[2]) • Assessment of customer credit cards assuming repayments of 3.8% per month of the limit • Assessment of customer overdrafts assuming repayments of 3.8% per month of the limit

Loan-to-value (LVR) limits

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

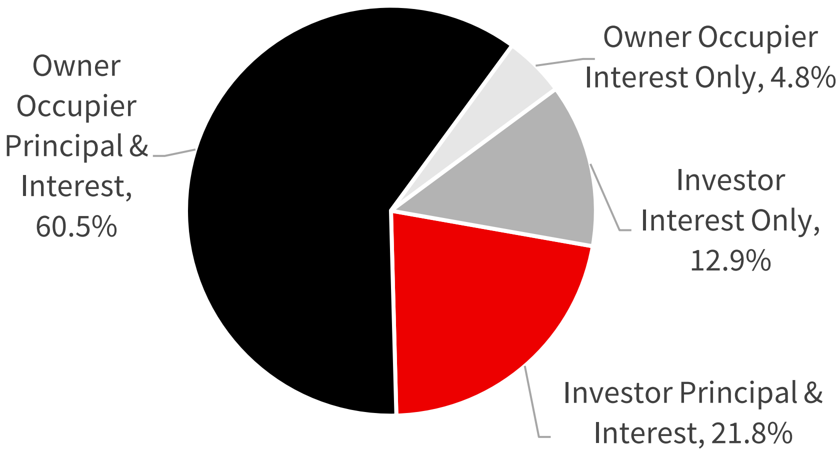
Other policies

- DTI decline rule of >8x from May 22 for higher risk customers (> 9x for all others)
- Lenders' mortgage insurance (LMI) applicable for majority of lending >80% LVR
- LMI for inner city investment housing >70% LVR
- Apartment size to be 50 square metres or greater (including balconies and car park)
- NAB Broker applications assessed centrally – verification and credit decisioning
- Maximum Interest Only term for Owner Occupier borrowers of 5 years

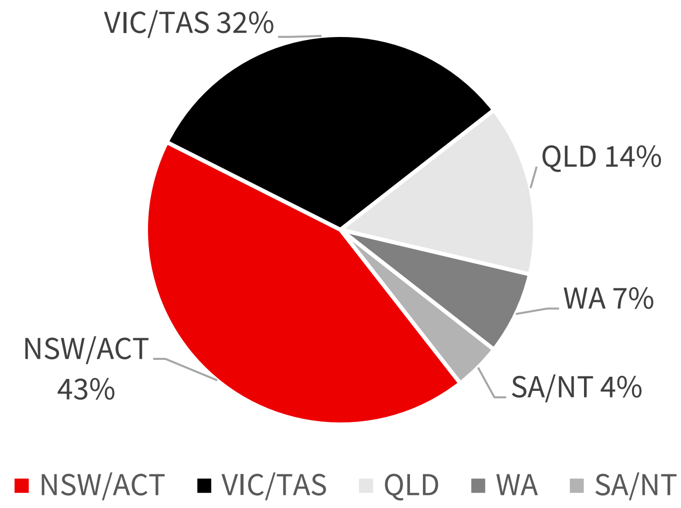
(1) Serviceability buffer increased by 0.50% to 3.00% as of 1 November 2021
(2) Serviceability floor increased by 0.80% to 5.75% as of 9 September 2022

Housing lending portfolio profile

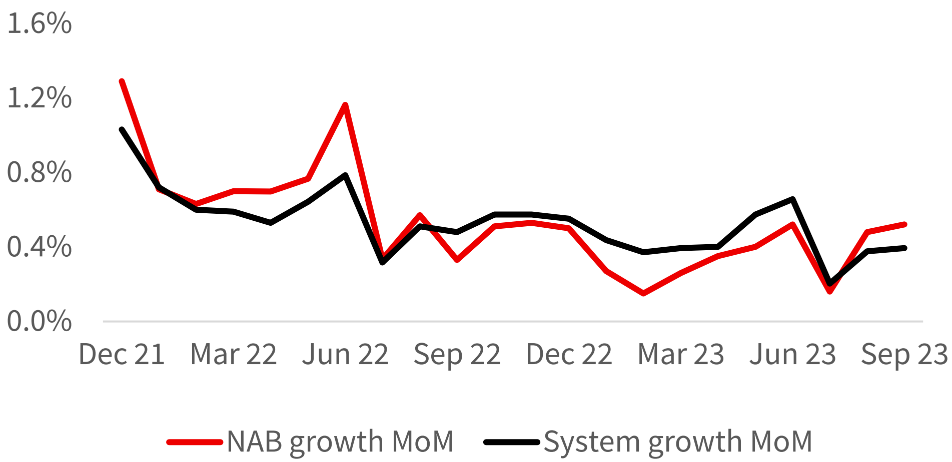
Housing lending volume by borrower and repayment type[1]



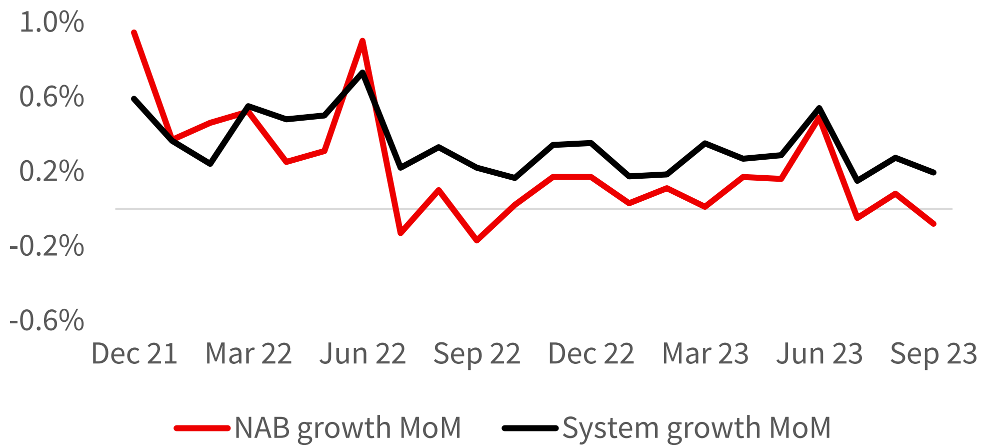
Australian mortgages profile[1]



Owner Occupier monthly growth[2,3]



Investor monthly growth[2,3]



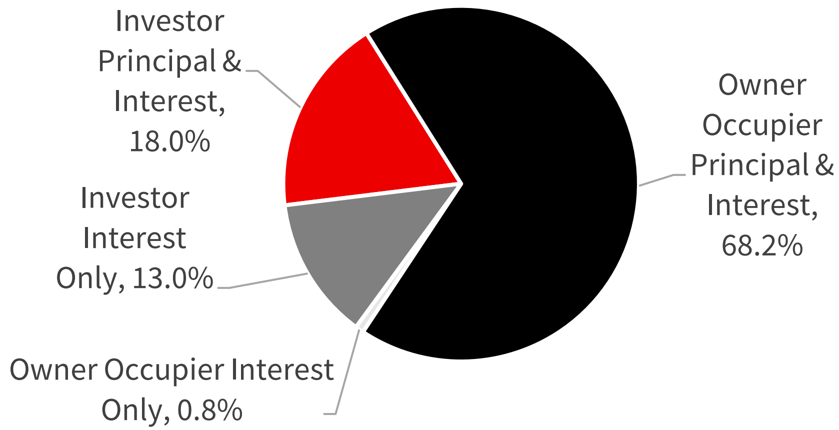
(1) Excludes 86 400 platform and Citi Consumer Business
(2) Only includes housing loans to households based on APRA ARF 720.1 reporting definitions, and excludes counterparties such as private trading corporations
(3) Includes 86 400 from May 2021 and Citi Consumer Business from Jun 2022. Contains a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

Housing lending fixed rate portfolio profile[1]

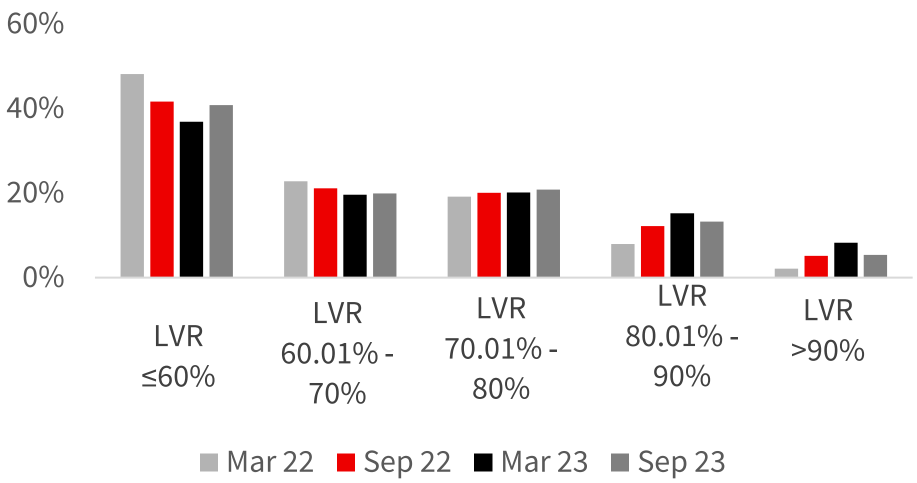
Fixed rate (FR) lending book

- $68bn FR book, rolls to variable rate (VR) loan at expiry, and ~91% to expire over the next two years
- 73% originated since Oct 20
- Proactive customer engagement with customers rolling off FR loans – ~85% retention to date
- 54% of customers also have a VR loan i.e. split loan
- All loans originated in past 3 years assessed on P&I basis using floor of at least 4.95% (5.75% from Sep 22) or buffer of at least 2.5% (3% from Nov 21) whichever is higher

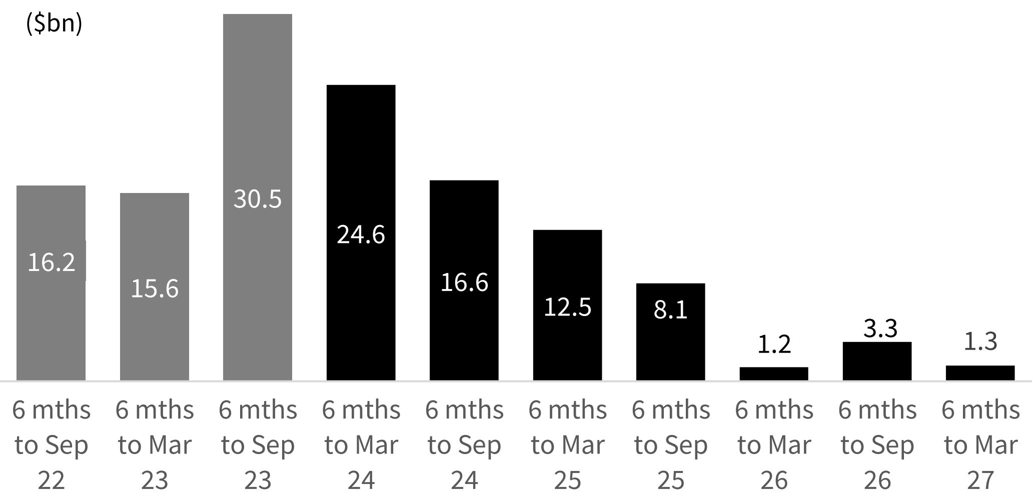
FR housing lending volume by borrower and repayment type



FR dynamic LVR



FR home loan contractual expiry profile



(1) Excludes 86 400 platform and Citi Consumer Business

Housing lending repayment profile

Key considerations

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

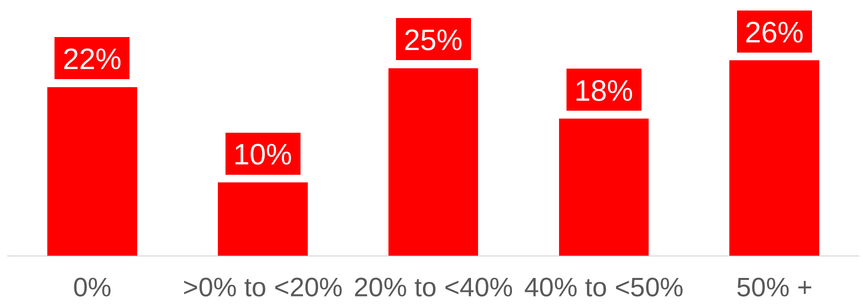
Profile of forecast mortgage repayments at 4.35% cash rate[1,2,3]

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

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

Variable rate principal & interest book[4,5]

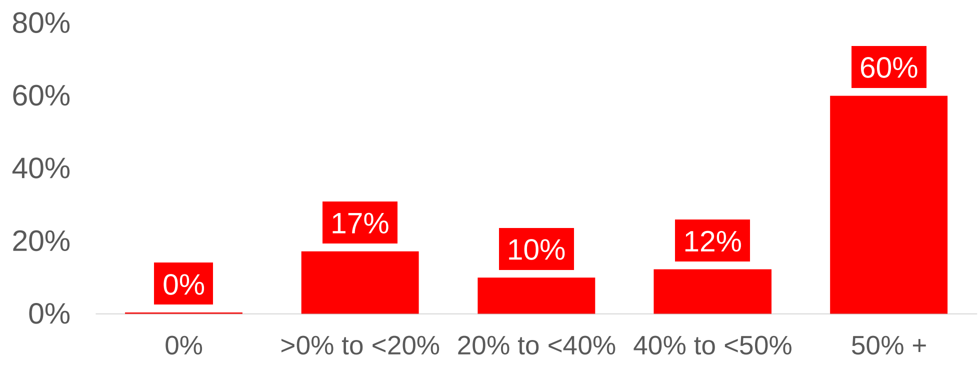
% of Portfolio



% increase in repayments from April 2022

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

% of Portfolio



% increase in repayments at conversion

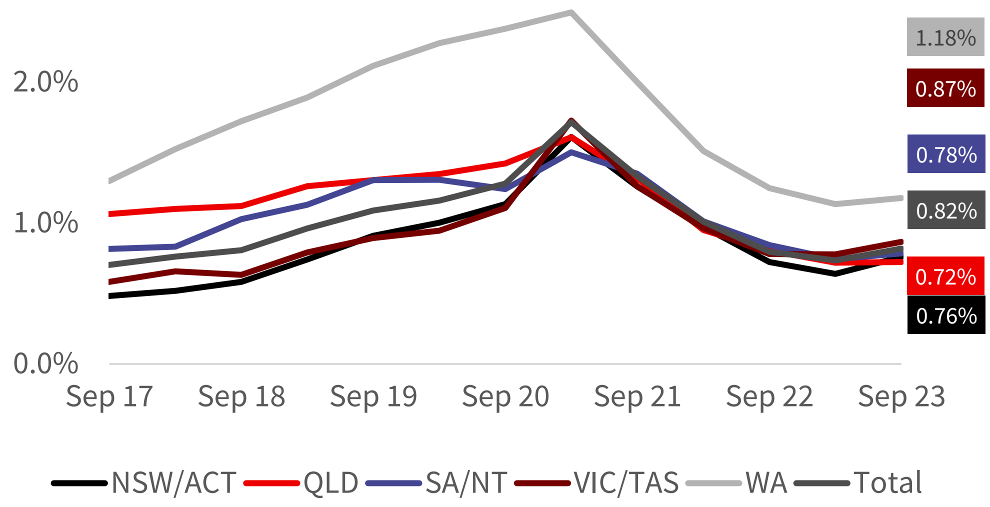
(1) Excludes line of credit, 86 400 platform and Citi Consumer Business
(2) By account
(3) Analysis assumes full pass through of cash rate increases to current customer rates
(4) Based on VR P&I loans on book at Apr 2022 and still on book at Sep 2023. Increase relative to customer repayments in Apr 2022
(5) Does not sum up to 100% due to rounding

Housing lending arrears profile

Key considerations

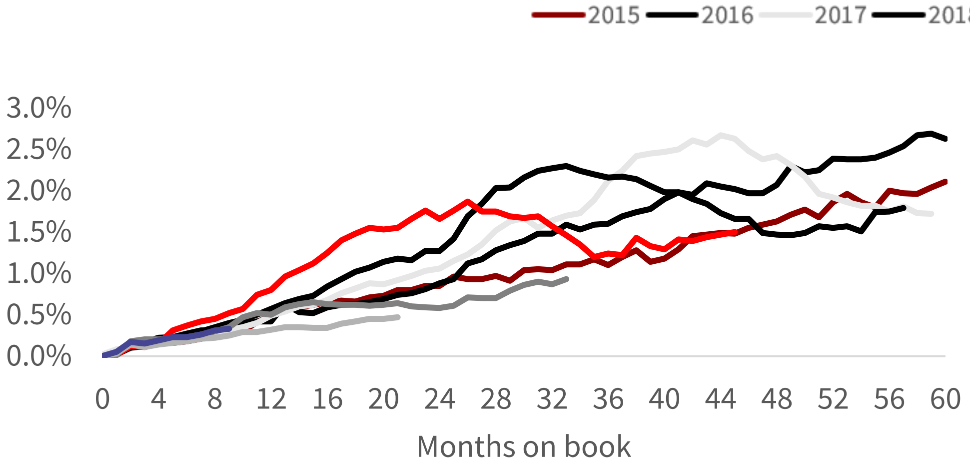
- Recent state-based 90+ DPD trends fairly consistent
- Trajectory of arrears for 2017, 2018 and 2019 vintages impacted by COVID-19 responses
- To date, early arrears trends for loans originated during period of low interest rates (2020 and 2021 vintages) not dissimilar to earlier vintages
- Similar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

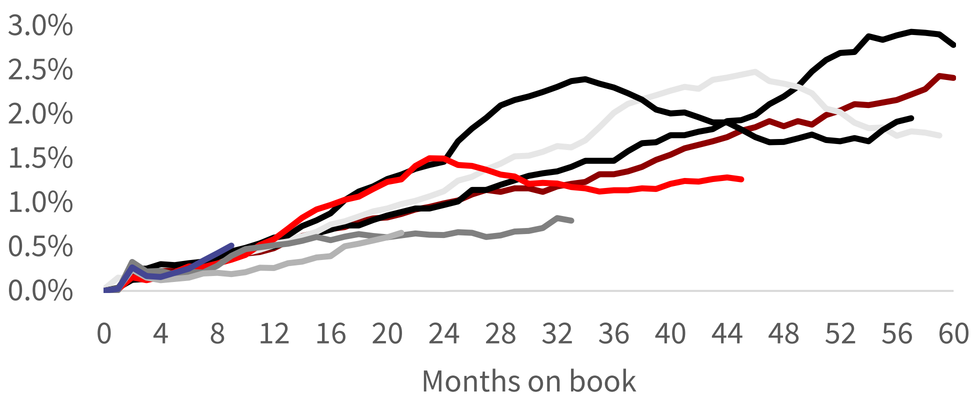
Housing lending 90+DPD & GIAs as a % of GLAs[1]



Fixed rate 30+ by vintage year[2]

Variable rate 30+ by vintage year[2]

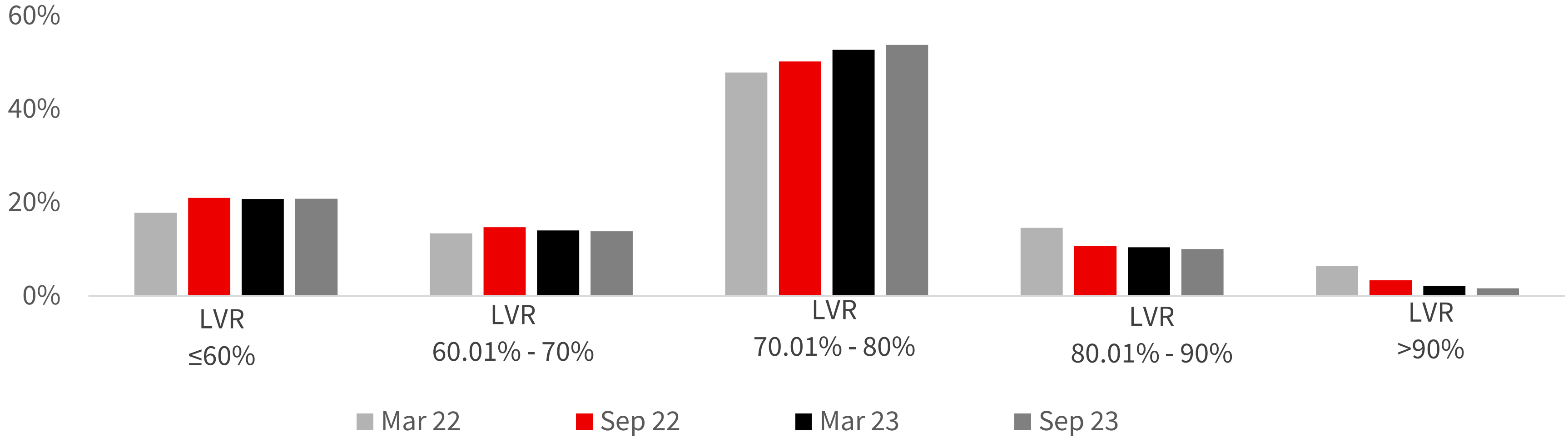




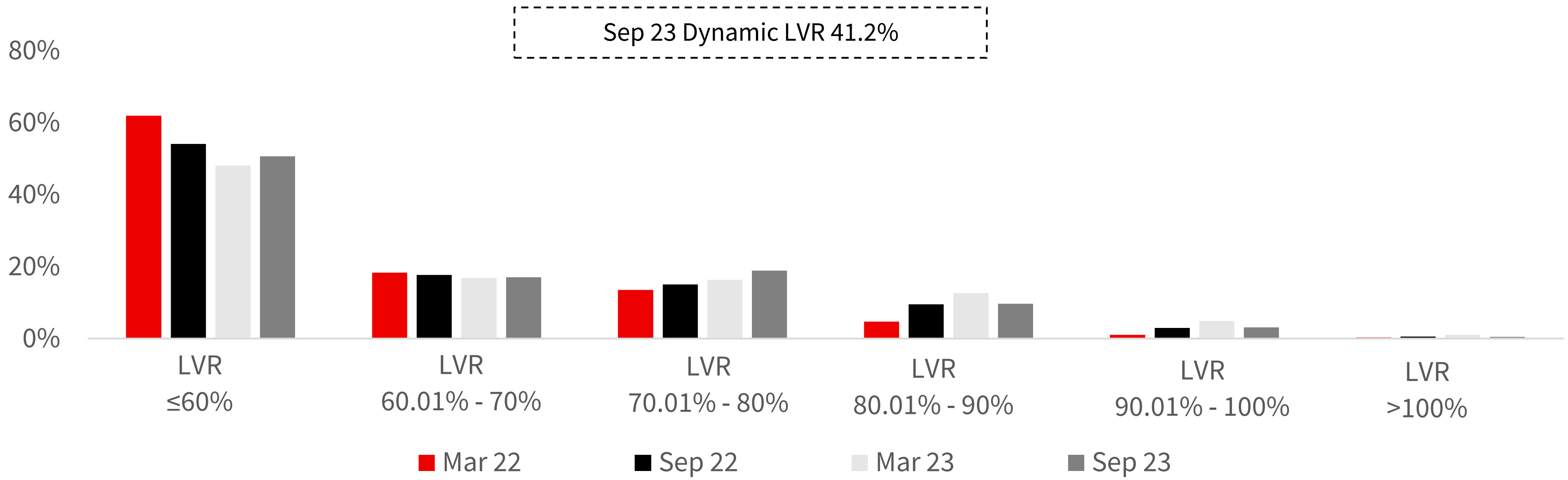
(1) Excludes 86 400 platform and Citi Consumer Business
(2) Calendar year

Housing lending LVR[1]

LVR breakdown at origination



Dynamic LVR breakdown of drawn balance



(1) Excludes 86 400 platform and Citi Consumer Business

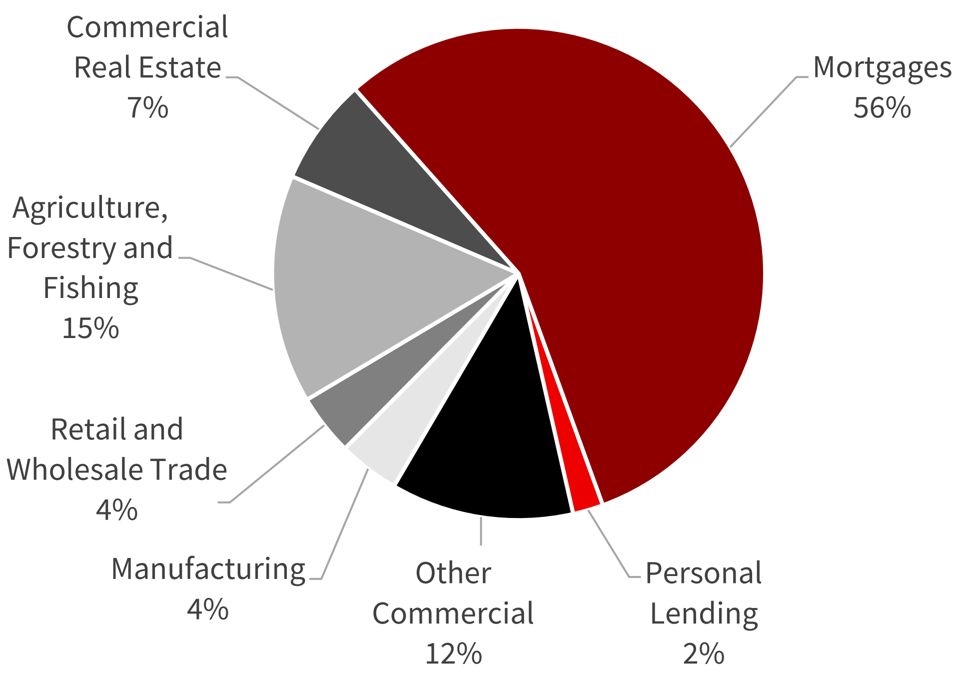
New Zealand housing lending key metrics

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

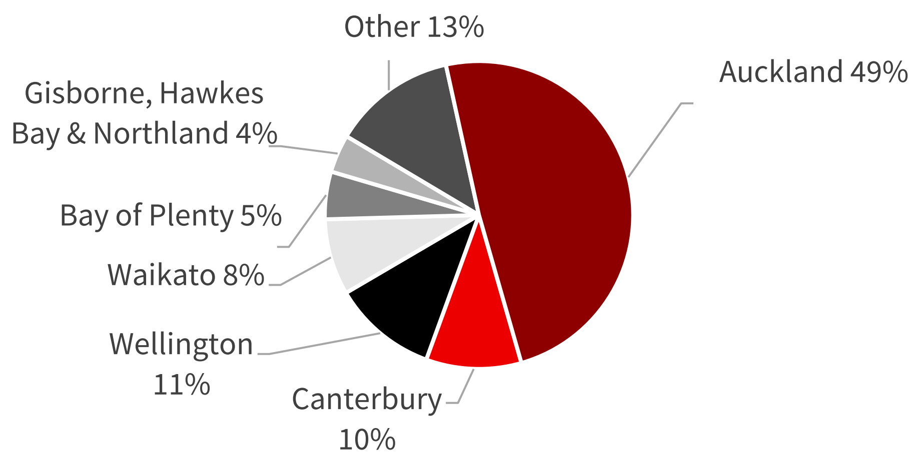
(1) Drawdowns is defined as new lending including limit increases and excluding redraws in the previous six month period
(2) Excludes line of credit products
(3) Excludes customers affected by recent severe weather events whose loans have been classified as “Restructured Loans” under APS 220 Credit Risk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

New Zealand lending mix

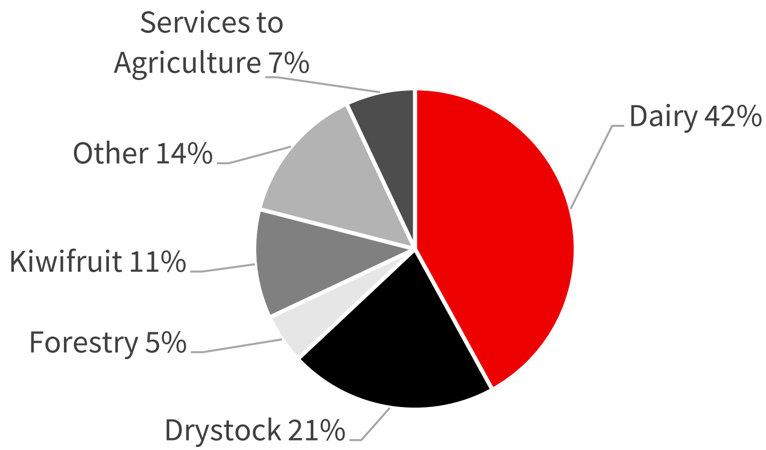
Portfolio breakdown by GLAs – Total NZ$102.4bn



Mortgage portfolio breakdown by geography – Total NZ$57.7bn



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



Additional information

Sustainability

Sustainability is embedded in our Group Strategy

national australia bank

Commercial responses to societal challenges

Our priorities

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

Resilient and sustainable business practices

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

Innovating for the future

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

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

(1) www.un.org/sustainabledevelopment

Reducing financed emissions

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

Targets set in 2022

- Power generation
- Cement
- Thermal coal
- Oil and gas

Targets set in 2023

- Iron and steel
- Aluminium
- Transport (Aviation)

Target work ongoing

- Transport (Remaining)
- Commercial real estate
- Agriculture
- Residential real estate

Sector decarbonisation targets

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

Key principles for target-setting

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

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

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

Understanding customer transition plans

national australia bank

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

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

Key maturity assessment findings

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

Approach to Customer Transition Plans

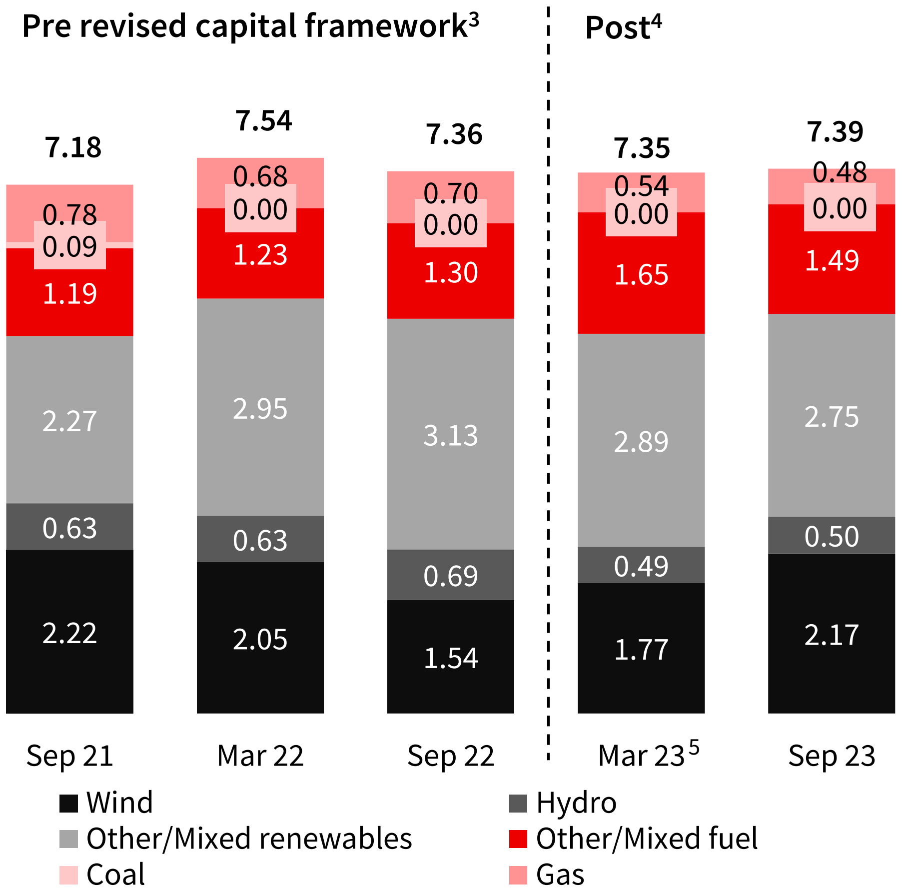
- From 1 October 2025, NAB intends to require a Customer Transition Plan to be in place for new or renewed corporate lending or project-level lending[2] for Corporate and Institutional Banking customers in the following sectors[3]:
  - Power generation, where at time of lending 25% or more of the electricity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

(1) The Diagnostic assists in the classification of transition maturity in the following bands: 0 – Unaware of (or not acknowledging) climate change as a business issue, 1 – Acknowledgement of climate change as a business issue, 2 – Building capacity, 3 – Integration into operational decision making, 4 – Strategic assessment. Note, no clients were assessed at the '0' level of maturity. See page 12 of 2023 Climate Report
(2) This includes lending at a corporate level (for example, general facilities made available to the parent company of a group of companies), or at a project-level (that is on an individual project basis for a specific project purpose), and subject to national energy security considerations
(3) Sectors referenced here are consistent with sector definitions used for NAB's target setting emissions baseline, although metallurgical coal forms part of the iron and steel sector. For more information see page 71 of the 2023 Climate Report. NAB does not intend to apply this requirement to customers in the thermal coal sector because NAB has set a target to reduce financed emissions for this sector to zero by 2030
(4) This requirement for the oil and gas sector was previously communicated in NAB's 2022 Climate Report

Energy generation exposures

Energy generation EAD by fuel source[1,2]

(AUD$bn)



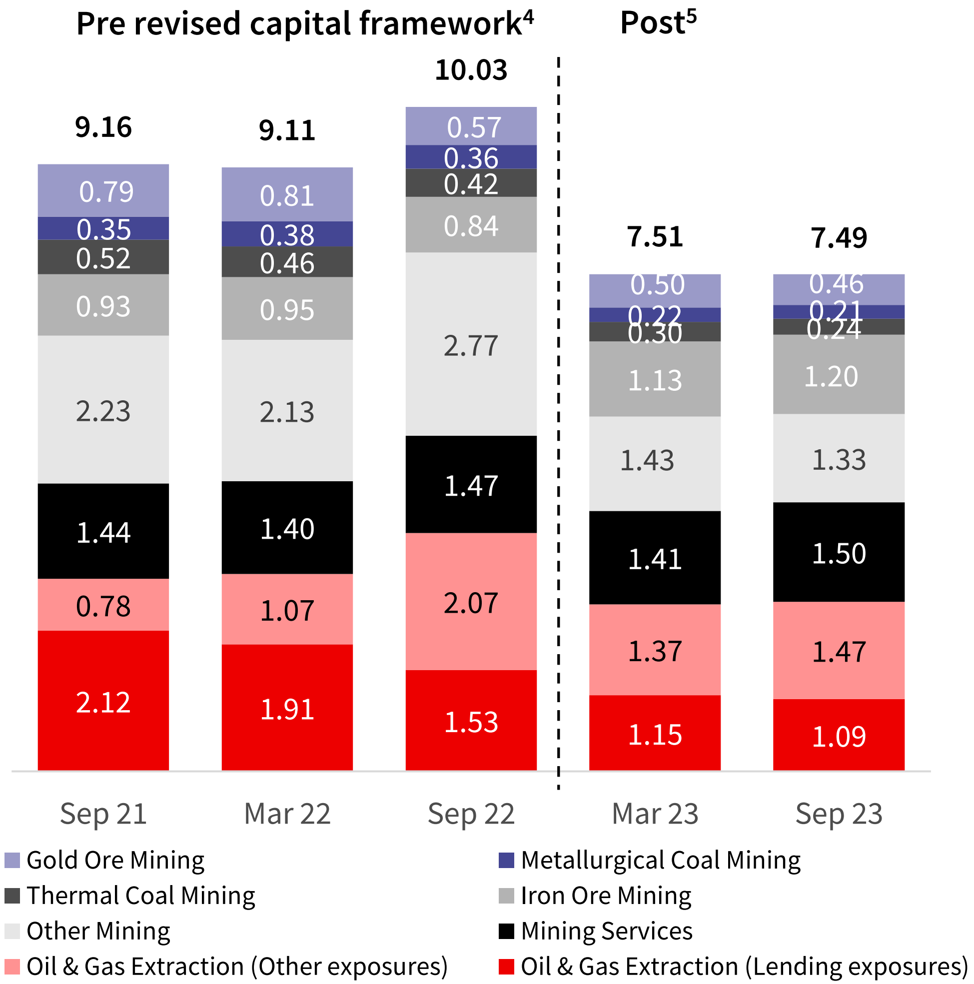
- 73% total energy generation financing to renewables
- From March 2022, NAB has no direct lending[2] to coal-fired power generation assets remaining
- NAB has set an interim sector decarbonisation target for power generation, details available in the 2023 Climate Report

(1) Totals presented in chart may not sum due to rounding
(2) NAB methodology (based upon the 1993 ANZSIC codes) at net EAD basis. Excludes exposure to counterparties predominantly involved in transmission and distribution. Vertically integrated retailers included and categorised as renewable where majority of their generation activities sourced from renewable energy. NAB has no direct lending to coal-fired power generation assets remaining. Note there is indirect exposure to coal fired power within the Mixed Fuel category as a result of NAB's corporate level exposure to gentailers, which have a mix of generation assets (including coal, gas and renewables) within their generation portfolio
(3) The revised capital framework refers to revisions to APRA's capital adequacy and credit risk capital requirements for ADIs. For more information on the impact of the revised capital framework and impacts on NAB's reported EAD, see NAB's 1H23 Pillar 3 report
(4) March and September 2023 'post' numbers are calculated in accordance with APRA's revised capital framework which came into effect on 1 January 2023
(5) March 2023 has been restated

Resources exposures

Resources EAD by type[1,2,3]

(AUD$bn)

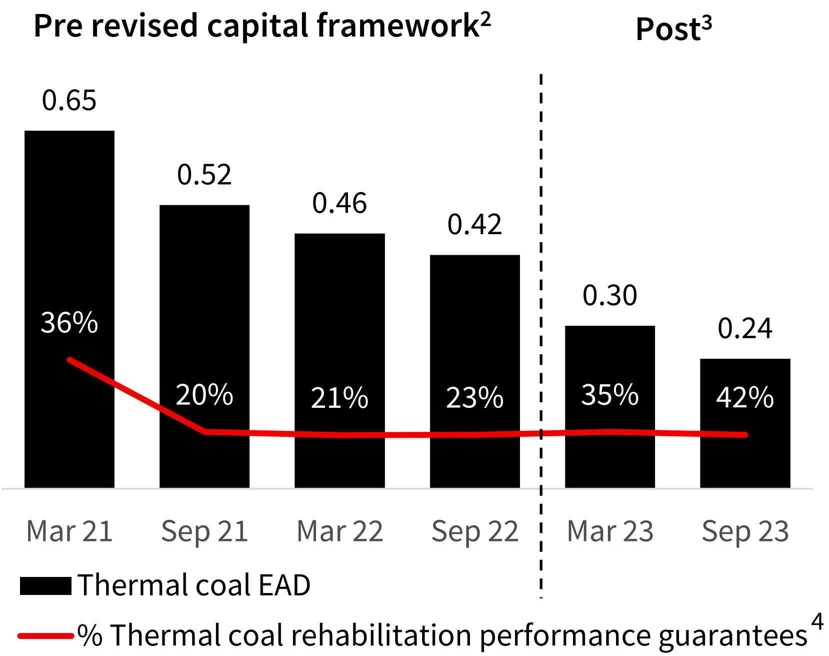


- Decreasing exposure to thermal coal, on track to be effectively zero[6] by 2030 excluding performance guarantees for rehabilitation of existing coal mining assets
- From 1 January 2023, the revised capital framework[6] came into effect. The primary impact of this change on NAB's resources exposures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

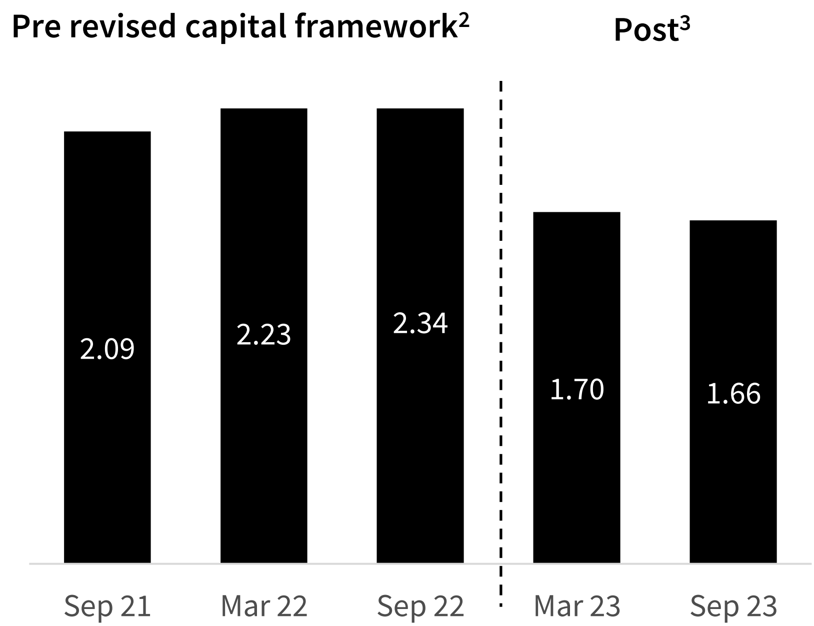
(1) Totals presented in chart may not sum due to rounding
(2) Oil and gas extraction exposures includes lending (e.g. revolving/term lending and guarantees) and other markets-related exposures (e.g. derivatives, foreign exchange, repurchase agreements)
(3) Thermal coal exposures includes direct exposure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

Thermal coal mining and oil and gas limits

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



Oil and gas extraction – (USD$bn) exposure



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

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

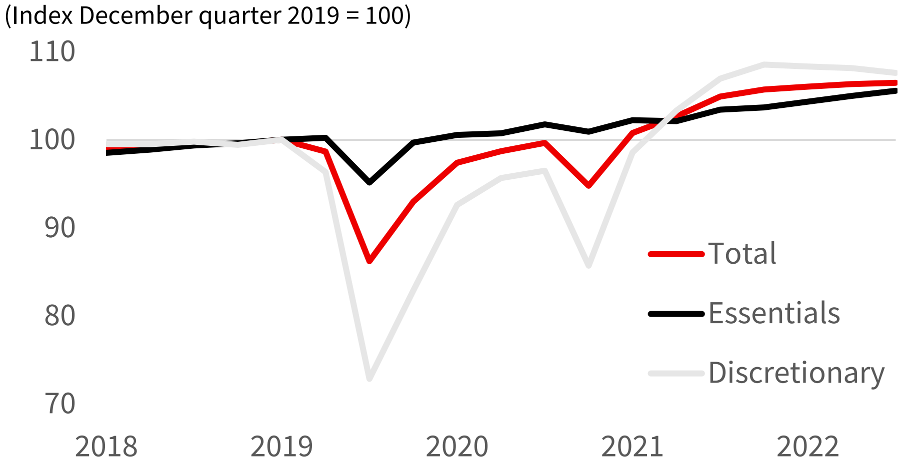
(1) Thermal coal exposures includes direct exposure to customers whose primary activity is thermal coal mining. Includes financial guarantees and performance guarantees for the rehabilitation of existing coal mining assets. Excludes metallurgical coal mining and diversified mining customers
(2) The revised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

Additional information

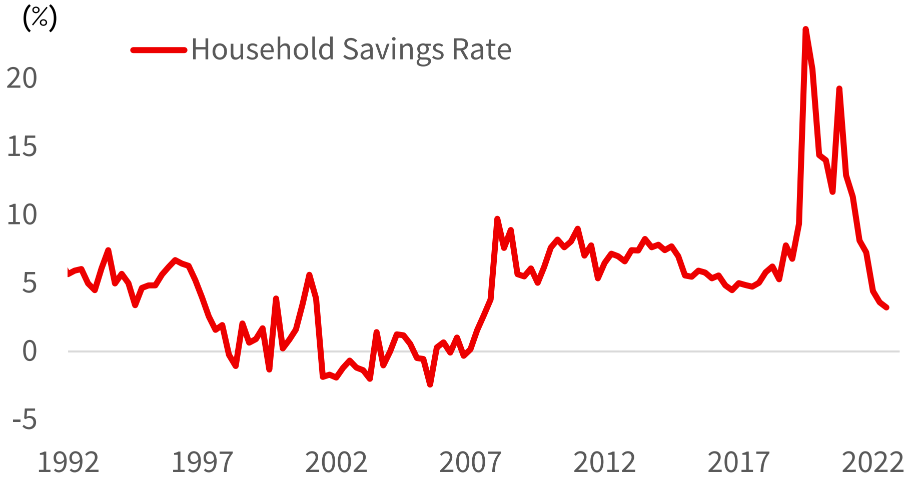
Economic data

Consumers are adjusting, but the labour market has held up

Discretionary spending had declined slightly[1]

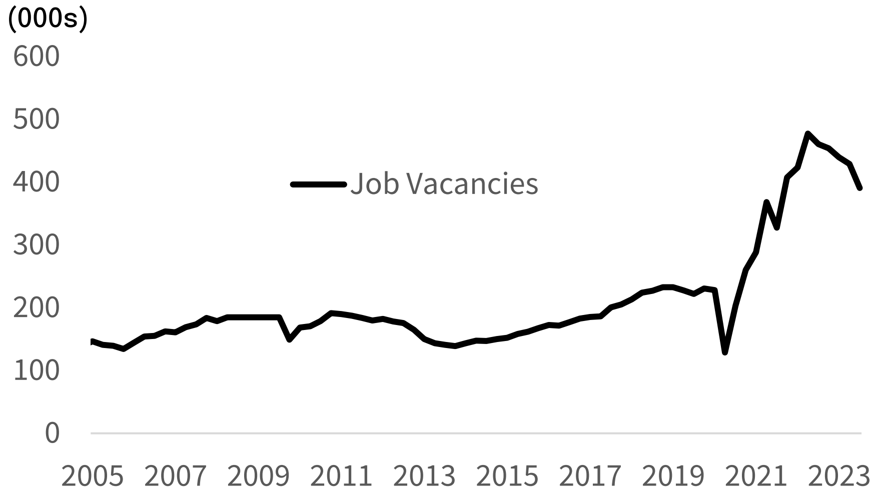


The household savings rate is now below pre-COVID levels[2]



The unemployment rate is very low[3]

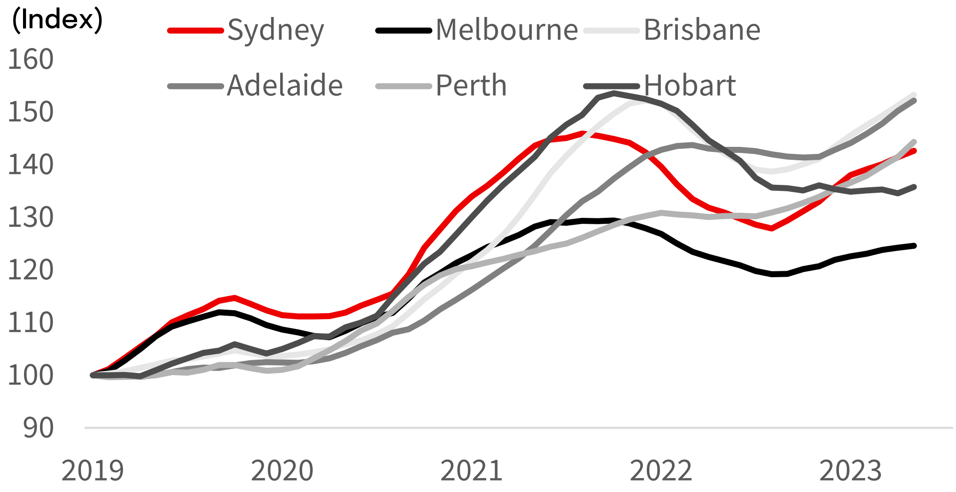
Job vacancies remain elevated[4]



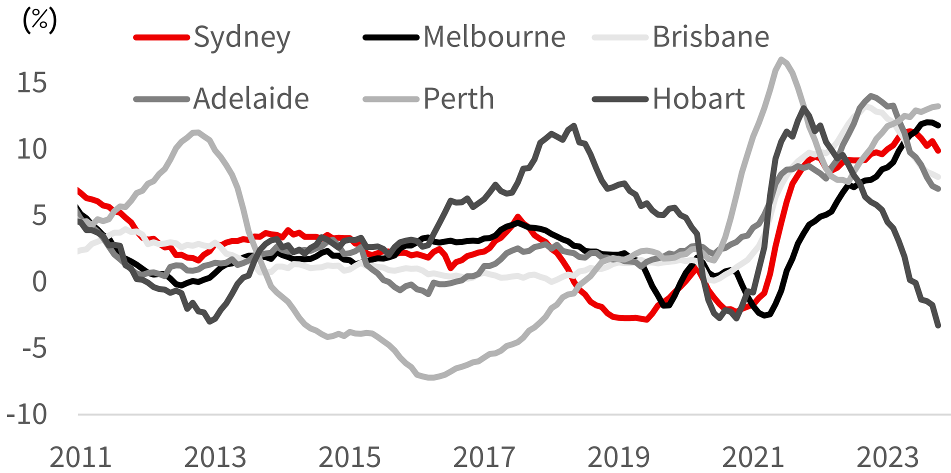
(1) Source: ABS, Macrobond. Analytical measures of consumption from the quarterly national accounts release. Data to Q2 2023
(2) Source: ABS, Macrobond. Net savings rate from the quarterly national accounts release. Data to Q2 2023
(3) Source: ABS, Macrobond. Data to Sep 2023
(4) Source: ABS, Macrobond.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

House prices have rebounded and rents remain strong

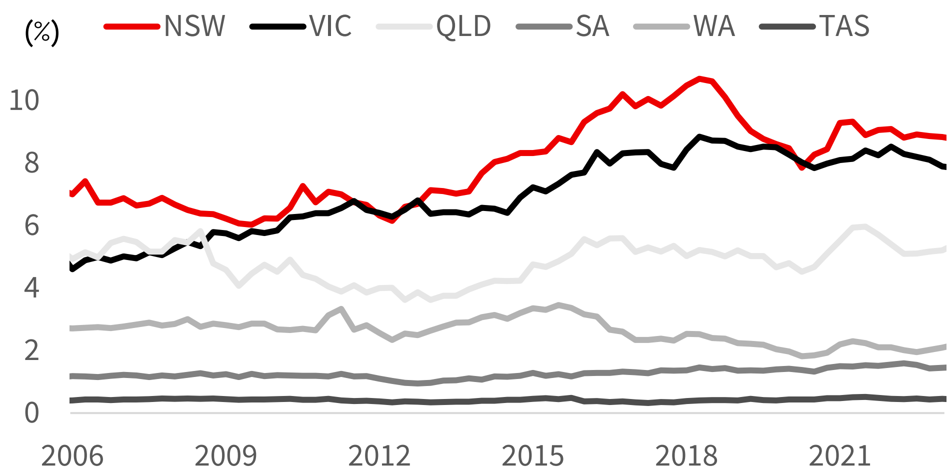
House prices have rebounded[1]



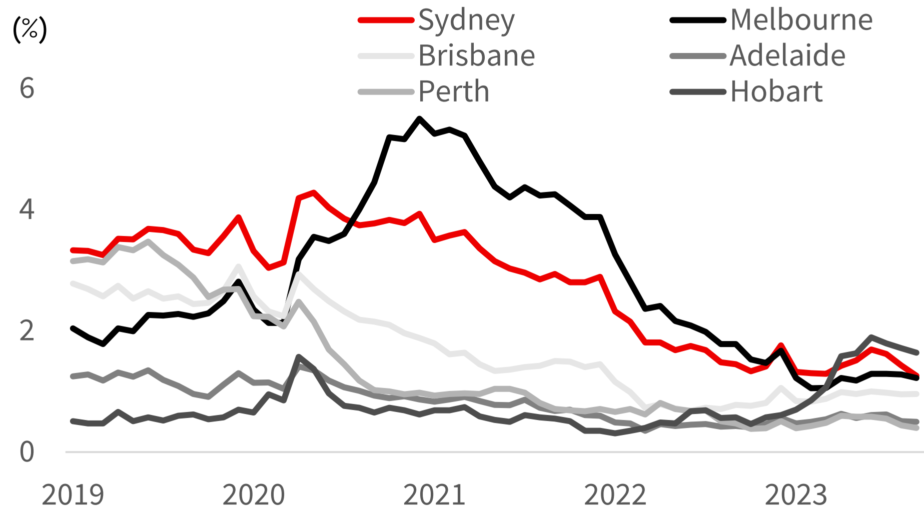
Rents growth is strong across most capital cities[2]



Dwelling investment has levelled off[3]



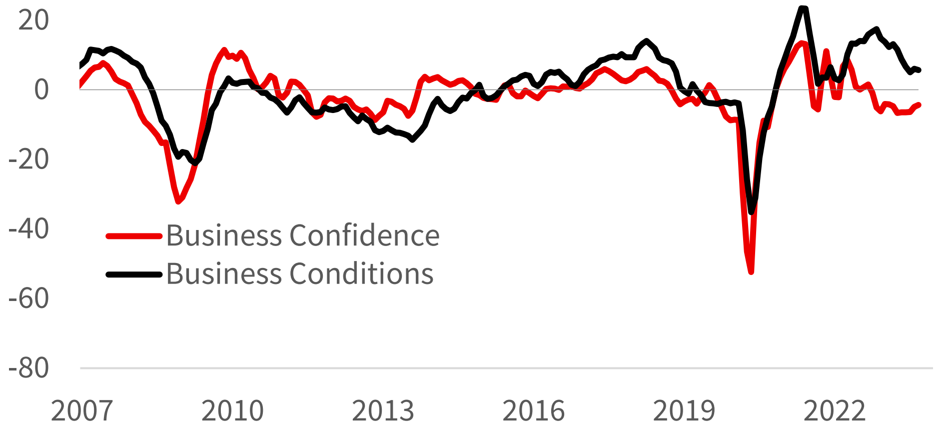
Rental vacancy rates are low[4]



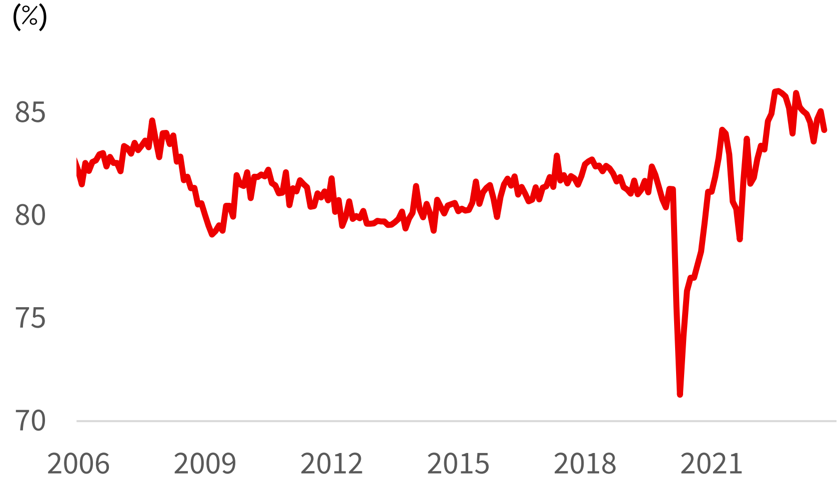
(1) Source: CoreLogic. Greater Capital City Hedonic Dwelling Price Index, Index June 2019 = 100. Data to 31 October 2023
(2) Source: CoreLogic. Hedonic measure of advertised rents. Data to 31 October 2023
(3) Source: ABS, Macrobond. Chain volume measure (reference year 2019-20). Data to Q2 2023
(4) Source: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

The business sector has remained resilient

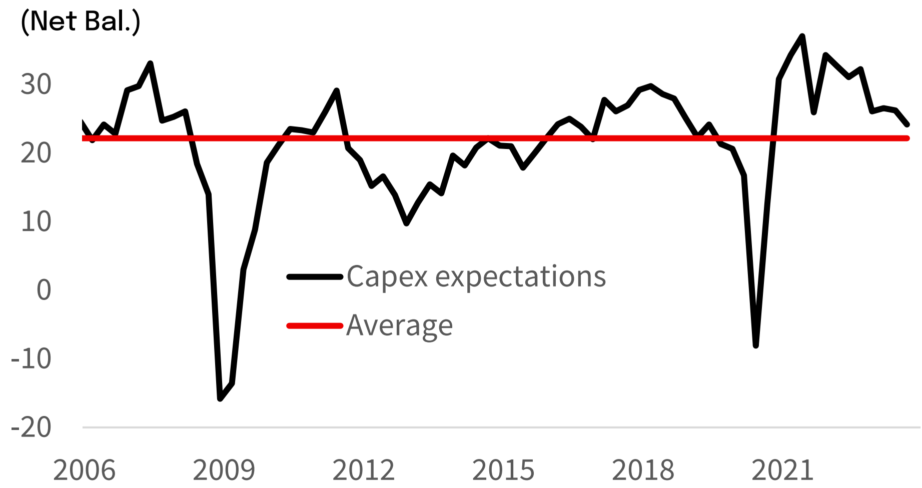
Conditions are favourable but confidence is soft[1]



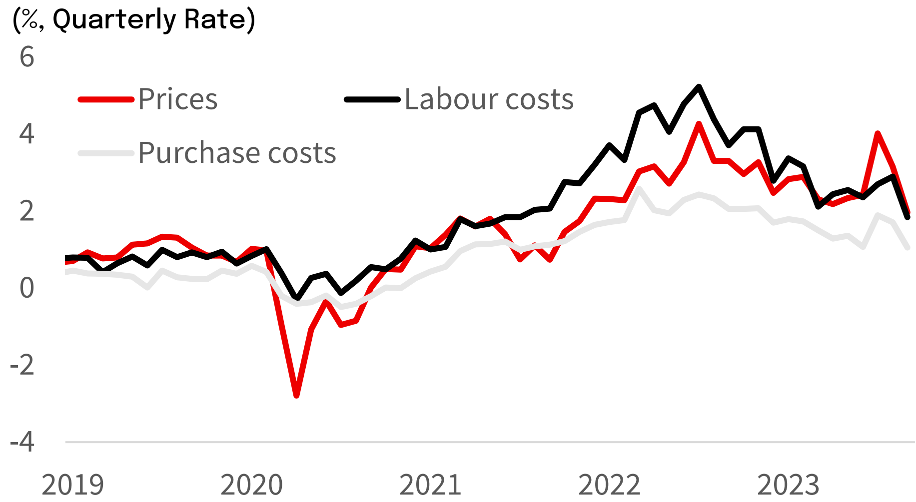
Capacity utilisation is high[2]



Investment Intentions are around average[3]



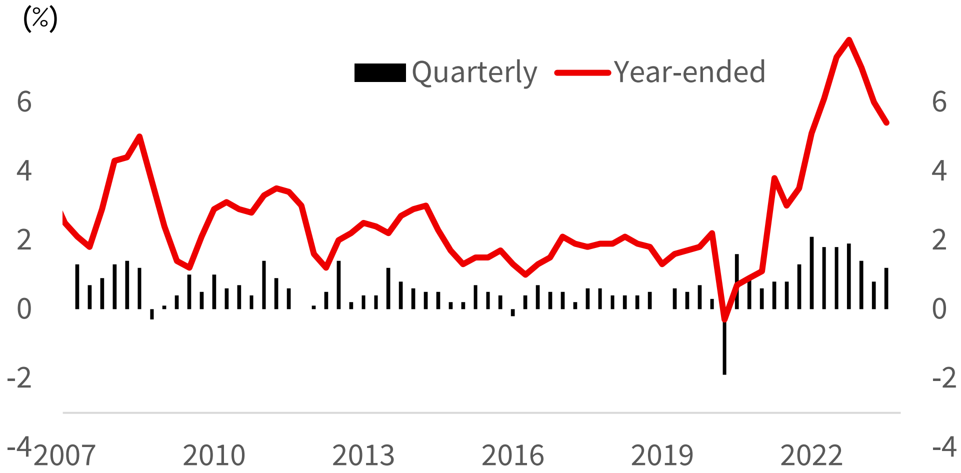
Price and cost growth remains strong[2]



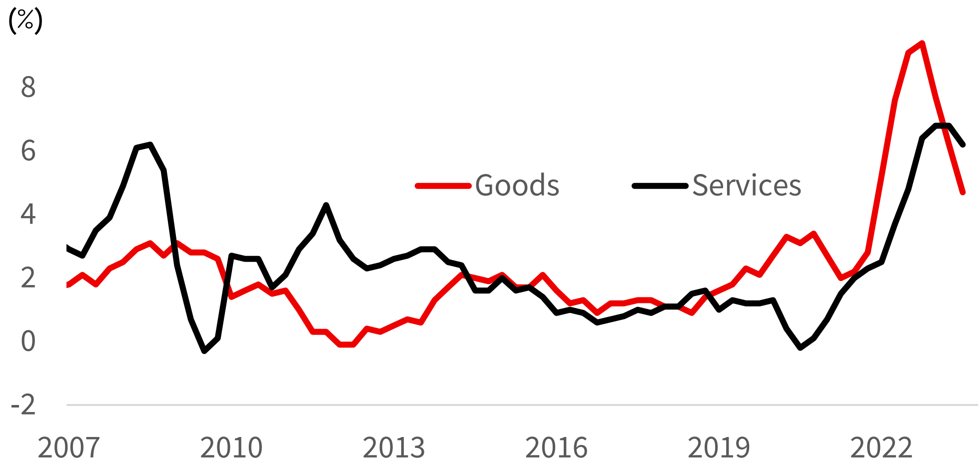
(1) Source: NAB Economics. Three-month moving average of all industry measures from the NAB Monthly Business Survey. Ppt deviation in the Net Balance from average since March 1997. Data to September 2023
(2) Source: NAB Economics. Data to September 2023
(3) Source: NAB Economics. NAB Quarterly Survey measure of 12-month Capex expectations. Data to Q3 2023

Inflation is high but moderating

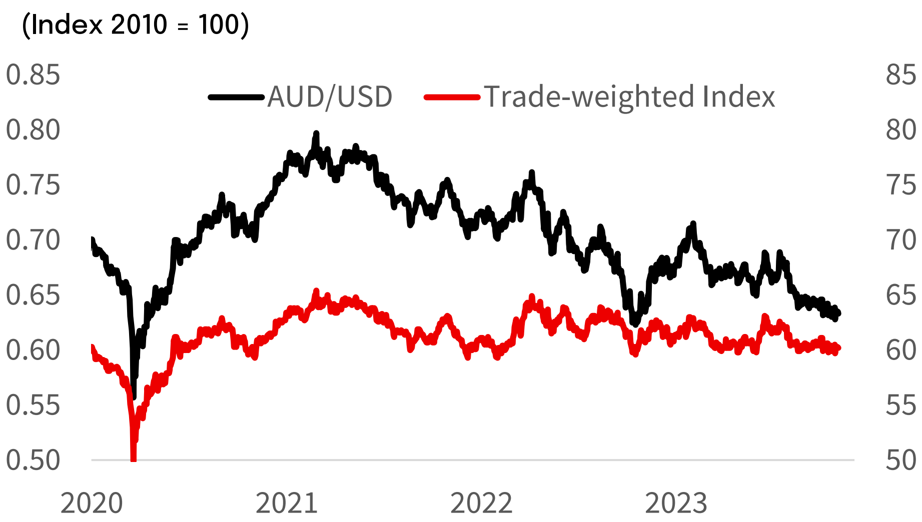
Inflation has peaked but remains volatile[1]



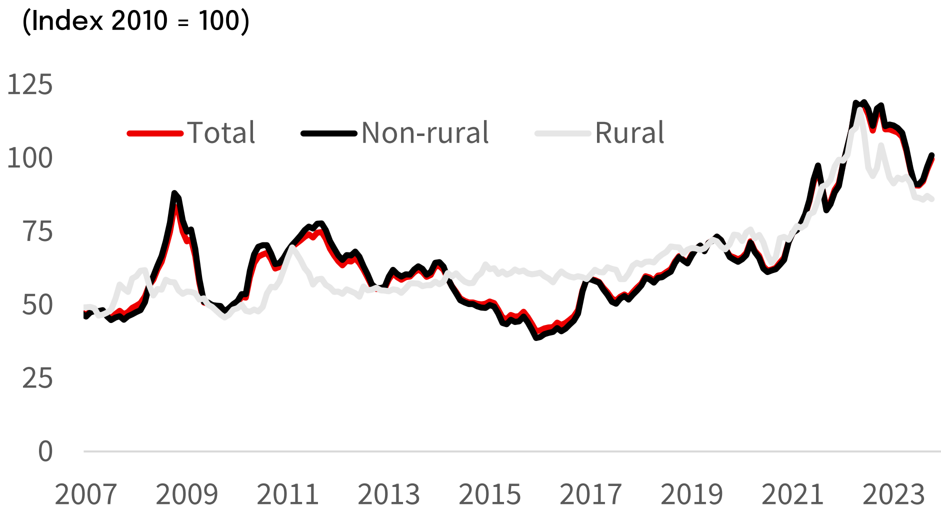
Services inflation has been more persistent[2]



The exchange rate has weakened[3]



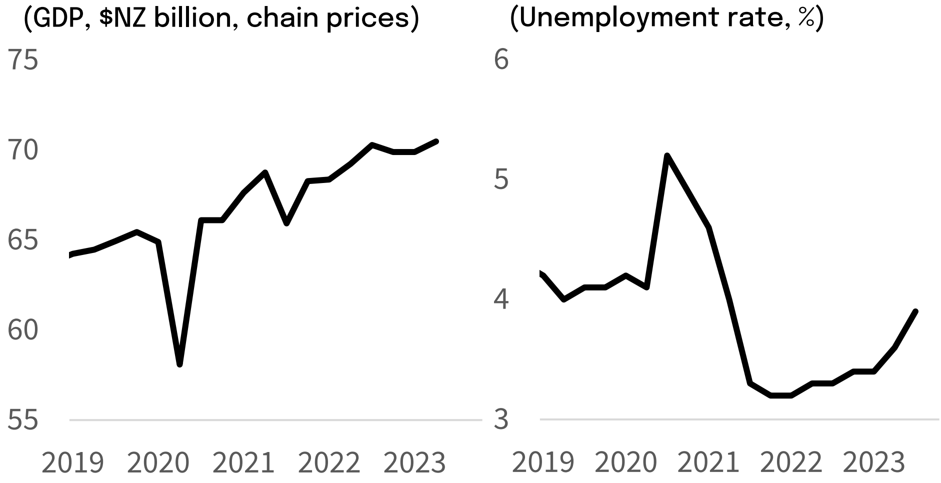
Commodity prices are high[4]



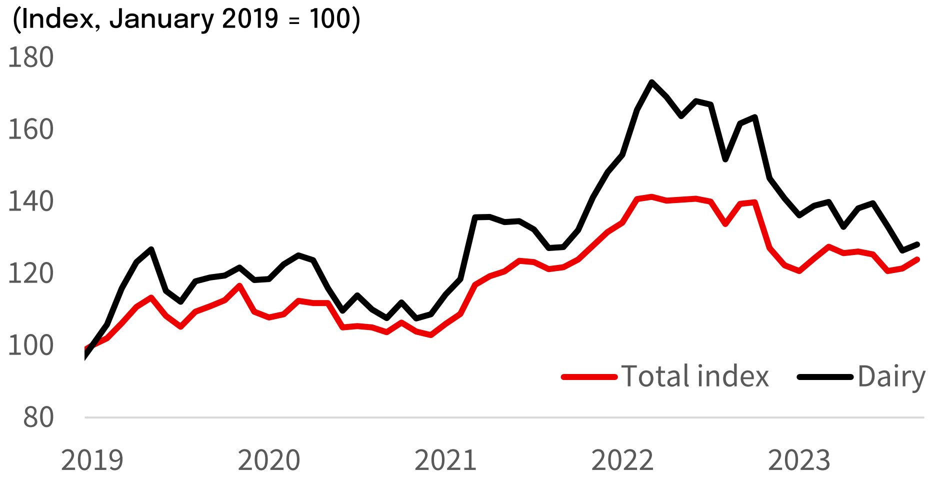
(1) Source: ABS, Macrobond. Headline, non-seasonally adjusted quarterly CPI. Data to Q3 2023
(2) Source: ABS, Macrobond. Market goods and services measures from the Quarterly CPI release. Data to Q3 2023
(3) Source: RBA, Macrobond. Data to 1 November 2023
(4) Source: RBA. Macrobond. Data to 31 October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

New Zealand economy

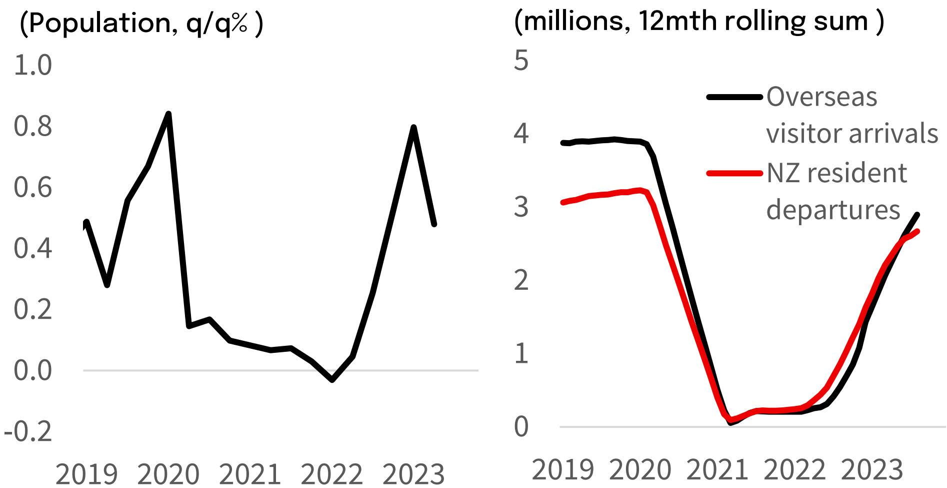
Slowdown in growth since Q3 2022, unemployment rate still low but has moved up[1]



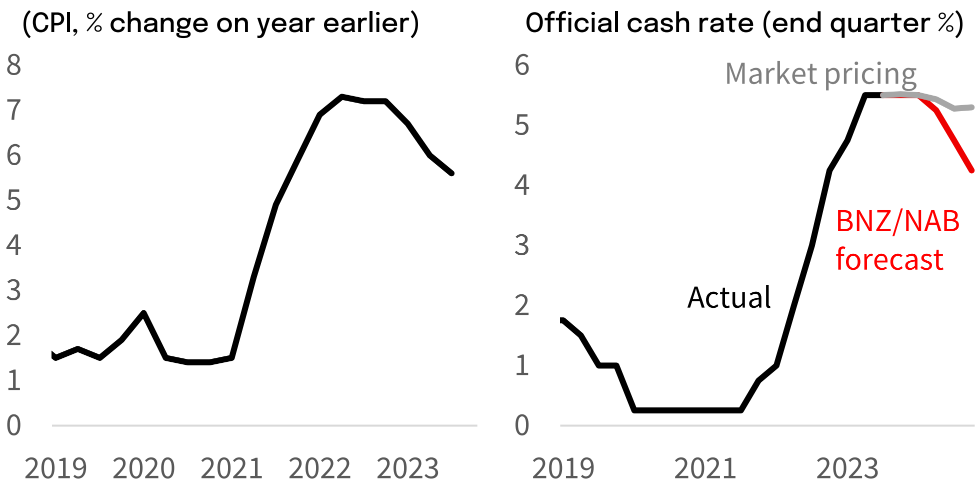
Commodity export prices decline, including dairy[2]



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



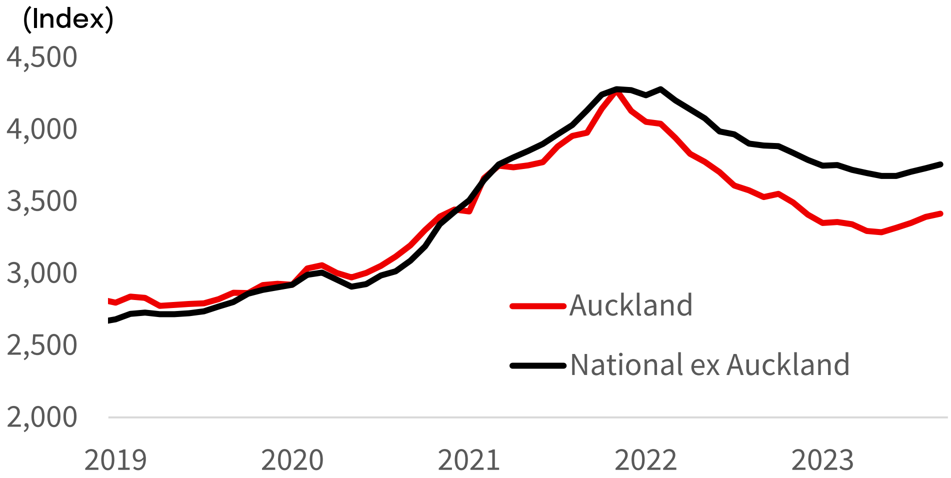
Inflation high, but easing, while OCR has probably peaked[4]



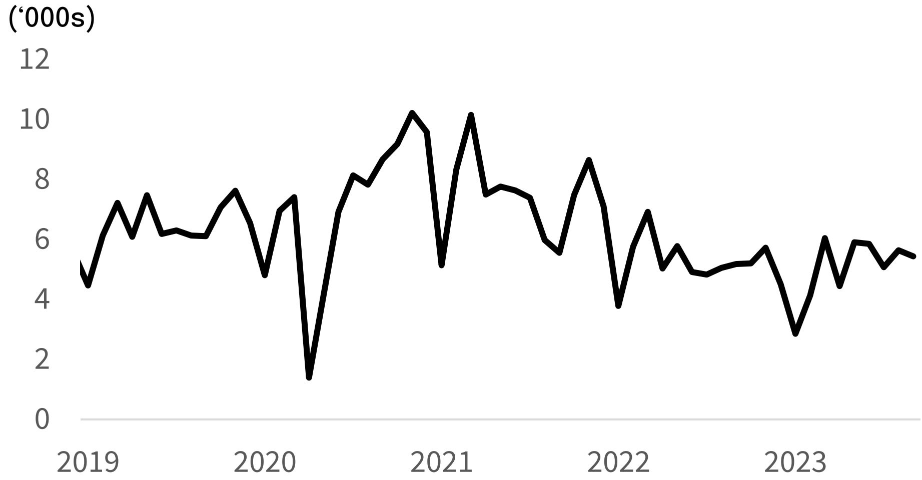
(1) Source: Refinitiv, Stats NZ
(2) Source: Macrobond, ANZ Commodity Price Index, NZ dollar indices
(3) Source: Refinitiv, Macrobond, Stats NZ
(4) Refinitiv, Stats NZ, RBNZ, BNZ, Market pricing as at 9:30 AEDT 7 November 2023

New Zealand housing

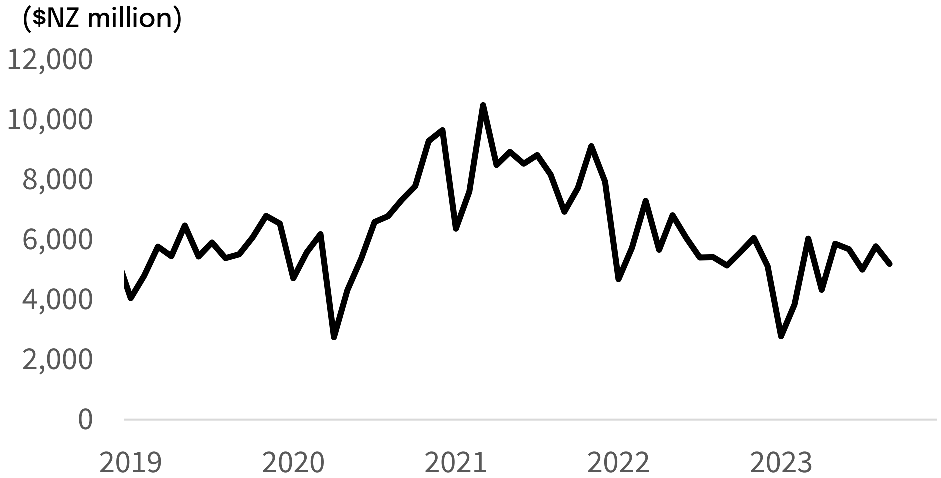
House prices have bottomed out[1]



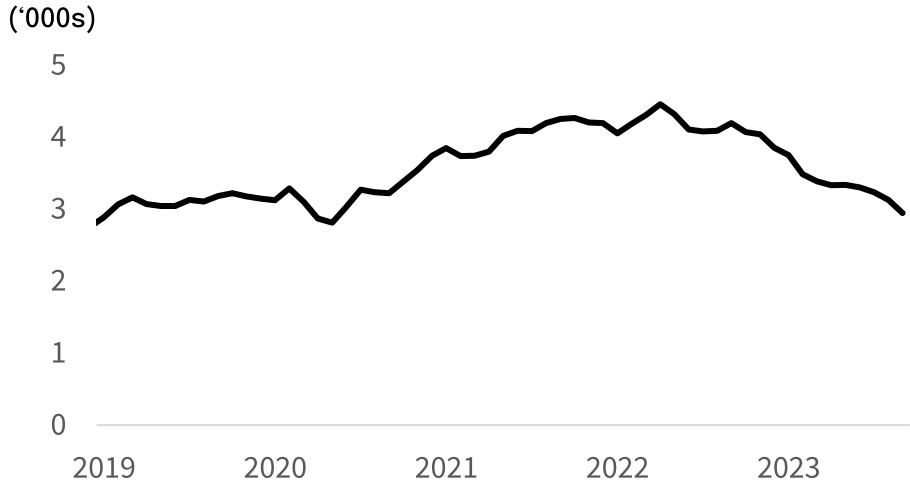
Sales volumes also stabilising[2]



New residential mortgage lending has also steadied[3]



Dwelling approvals (consents) trending down[4]



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

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