Full Year Results Summary 2024

National Australia Bank Limited ABN 12 004 044 937 AFSL and Australian Credit Licence 230686, 7 November 2024.

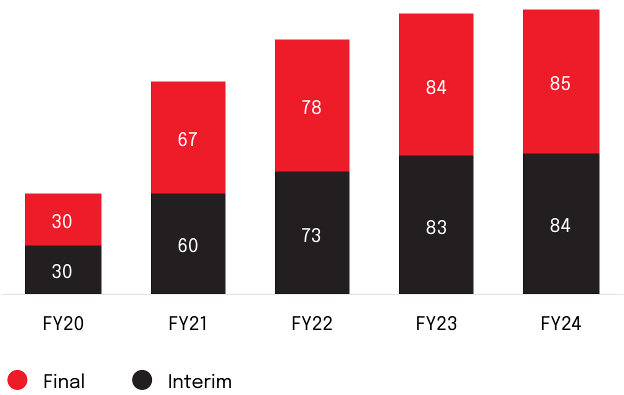
2024 FINANCIAL HIGHLIGHTS

$6,960m Statutory net profit Down 6.1% v FY23	**$7,102m** Cash earnings(i) Down 8.1% v FY23
85 cps Final dividend 100% franked	**12.35%** Group Common Equity Tier 1 (CET1) ratio(ii)

(i) Refer cash earnings note and reconciliation on page 6.
(ii) CET1 capital ratio on a Level 2 basis.

Dividends

Cents per share (fully franked)
In respect of each financial year / period



"Our FY24 performance has benefitted from focused execution of our strategy and a more stable operating environment over the second half of the year. Cash earnings were 8.1% lower than the strong levels of FY23, but stable over 2H24 compared with 1H24.

Consistent investment to deliver better customer outcomes has supported another year of strong growth in our leading SME franchise, with Business & Private Banking (B&PB) increasing deposits by 7% and business lending by 8%. In Australian housing, our growth was sub-system at 3% as we balanced growth against competitive pressures. We will continue to manage portfolio returns through a disciplined approach in this dynamic market.

The Australian economy has remained resilient, however the impact of higher interest rates and cost of living is challenging for our customers, and we are here to help them. Not unsurprisingly, asset quality deteriorated over FY24 but we have maintained prudent balance sheet settings. We will continue to focus on keeping our bank and customers safe through the cycle.

The execution of our strategy since FY20 has delivered significant progress. To build on this, we have evolved our strategic priorities with a focus on becoming a more customer-centric, simpler and fast-paced organisation. Executing these evolved priorities with discipline while maintaining strong foundations will see us well placed to deliver continued sustainable growth and attractive shareholder returns over time"
- Andrew Irvine NAB CEO

Supporting our customers & communities

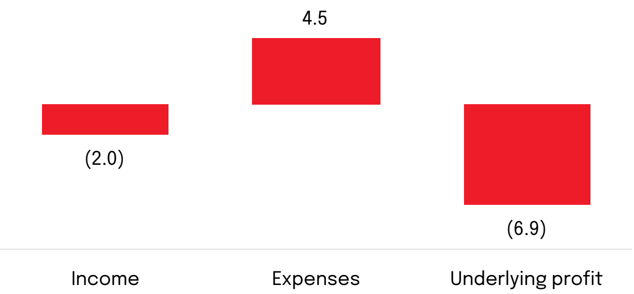
- Helping customers manage cashflow challenges with enhanced digital spending tools which predict bills and subscriptions, and an expanded range of hardship support options.
- Recognising and rewarding loyalty with cashbacks and discounts on everyday spend via NAB Goodies, and a range of benefits and discounts for NAB business transaction account holders on services such as accounting software, website design and hosting, and cybersecurity and fraud prevention.
- Supporting customers and communities to withstand and recover from natural disasters with more than $1.7 million in grants from both NAB Foundation and NAB in FY24.

The September 2024 full year results are compared with the September 2023 full year results for continuing operations unless otherwise stated. Operating performance and Asset quality are expressed on a cash earnings basis.

Operating performance FY24 v FY23

- Revenue decreased by 2.0% mainly reflecting lower net interest margins (NIM) and lower Markets & Treasury (M&T) income, partially offset by volume growth and higher fee income.
- Gross loans and advances (GLAs) increased by 4.2% and deposits increased by 4.3%.
- NIM decreased by 3 basis points (bps) to 1.71%. Excluding a 3 bps increase from M&T, NIM declined 6 bps. This primarily reflects home lending competition, higher term deposit costs and deposit mix impacts, partially offset by higher earnings on deposits and capital as a result of the higher interest rate environment.
- Expenses increased by 4.5% with key drivers including higher personnel expenses primarily due to salary-related and restructuring-related costs, combined with continued investment in technology modernisation and compliance capabilities including fraud and cyber security. This was partially offset by productivity benefits achieved through continued process improvements and simplification.

FY24 v FY23 drivers of cash earnings change (%)

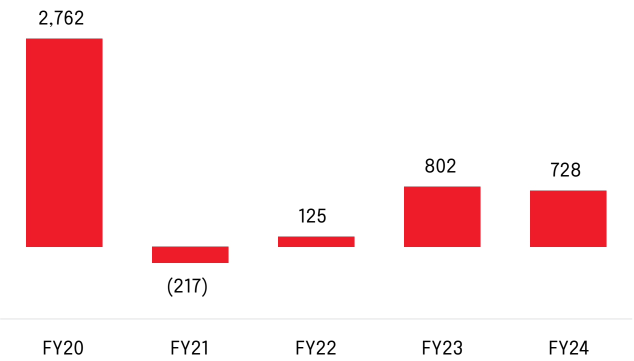


"Underlying profit is 6.9% lower over FY24 mainly reflecting margin pressure related to home lending competition. Pleasingly, a more stable operating environment over 2H24 has seen revenue and margin pressures moderate and the decline in underlying profit slow to 1.8% compared with 1H24."

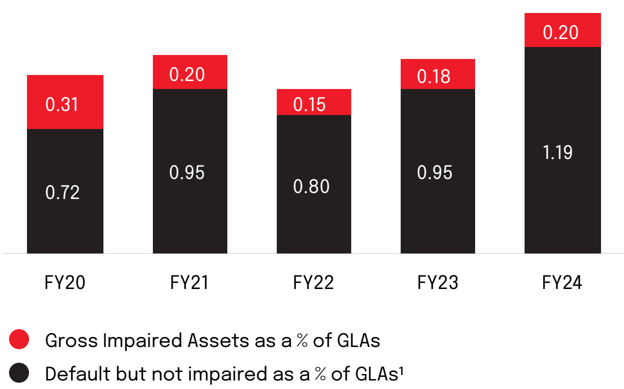
Asset quality FY24 v FY23

- Credit impairment charge was $728 million, versus a FY23 charge of $802 million. The FY24 charge includes underlying charges of $942 million and a $214 million release from forward looking provisions.
- Underlying charges primarily reflect higher individually assessed charges, a deterioration in asset quality and volume growth. This was partially offset by the impact of house price increases and model changes.
- The $214 million release from forward looking provisions primarily reflects asset quality deterioration in underlying outcomes, the impact of methodology refinements and a 2.5% decrease in the downside scenario weight.
- The ratio of non-performing exposures to gross loans and acceptances increased by 26 bps from FY23 to 1.39% reflecting higher Australian mortgage arrears and broad-based deterioration in the B&PB business lending portfolio.

Credit impairment charges / (write-backs) ($m)



Non-performing exposures / gross loans and acceptances (%)

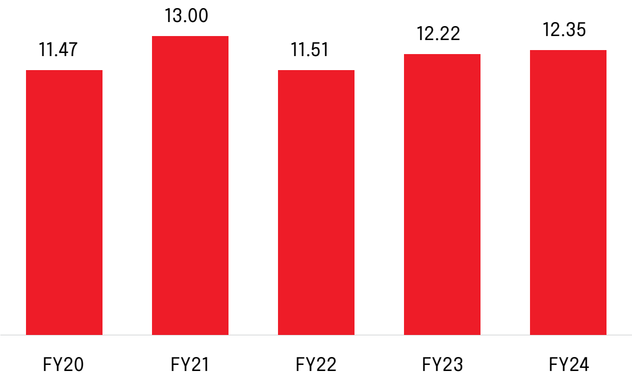


(1) Default but not impaired includes 90+ DPD assets and Default <90 DPD but not impaired assets. FY20 figures do not include Default <90 DPD but not impaired assets.

"As asset quality continued to deteriorate over FY24, consistent with challenges in the economic environment, we have maintained prudent levels of forward looking provisions. This primarily reflects uncertainty over the impact of global instability and the ability of customers to manage high interest rates and inflationary pressures. Our collective provisions as a percentage of credit risk weighted assets (CRWA) remained stable over the year at 1.47% and well above pre COVID-19 levels."

Capital funding and liquidity

Group CET1 ratio(i) (%)



(i) CET1 capital ratio on a Level 2 basis. From 1 January 2023 ratios have been reported under APRA's revised capital framework.

Key ratios as at 30 September 2024

- Group CET1 ratio of 12.35%, up 13 bps from September 2023. Lending volume growth, asset quality deterioration and the impact of $2.1 billion of shares bought back in FY24 (-48 bps)[(1)] were more than offset by lower risk weighted assets (RWA) including the benefit of model and methodology changes impacting CRWA, lower Interest Rate Risk in the Banking Book RWA and removal of APRA's Operational Risk overlay (17 bps).
- Proforma Group CET1 ratio of 12.21% reflecting $0.6 billion balance of shares expected to be acquired under the on-market share buy-back[(1)].
- Leverage ratio (APRA basis) of 5.1%.
- Liquidity coverage ratio (LCR) quarterly average of 137%.
- Net Stable Funding Ratio (NSFR) of 117%.

Key divisional performance - Cash earnings

	FY24 ($m)	% change FY24 v FY23	Key drivers FY24 v FY23
Business and Private Banking[(2)(3)]	3,257	-	Stable cash earnings with higher revenue and lower credit impairment charges offset by increased operating expenses. Revenue benefitted from volume growth and higher foreign exchange income but margins were lower mainly reflecting competitive lending pressures, deposit mix and higher funding costs.
Personal Banking[(2)]	1,174	(19.6)	Cash earnings were lower primarily reflecting a decline in underlying profit given lower revenue and modest operating expense growth. Revenue decline reflects lower margins mainly impacted by competitive home lending pressures and deposit mix, while volume growth was broadly stable given a disciplined approach to growth in housing lending and a focus on sustainable returns.
Corporate and Institutional Banking[(4)]	1,772	(3.7)	Lower cash earnings mainly reflecting a higher effective tax rate partially offset by lower credit impairment charges. Underlying profit and revenue were both broadly stable with lower Markets income, the run-off of the asset servicing business and modest operating expense growth offset by higher margins (ex Markets).
New Zealand Banking (NZ $m)[(4)]	1,444	(4.6)	Cash earnings declined reflecting lower underlying profit and higher dividend payments on perpetual preference shares, partially offset by lower credit impairment charges. Lower underlying profit reflects operating expense growth and stable revenue as volume growth was offset by lower margins due to competitive pressures.

(1) On 2 May 2024, the Group announced it had increased its on-market buy-back of ordinary shares by $1.5 billion, resulting in a total combined size of up to $3 billion. NAB has bought back and cancelled $2.1 billion of ordinary shares in the September 2024 full year including $1.1 billion (0.25% of CET1 capital) in the September 2024 half year.
(2) During the year ended 30 September 2024, some customer lending and deposit portfolios were transferred between Personal Banking and Business and Private Banking. Comparative information has been restated accordingly.
(3) During the year ended 30 September 2024, refinements to the allocation of certain support unit costs has resulted in some costs previously recognised in Corporate Functions and Other being allocated to Business and Private Banking. Comparative information has been restated accordingly.
(4) From 1 October 2023, Bank of New Zealand's Markets Trading operations and enabling units are reported within New Zealand Banking. Previously Bank of New Zealand's Markets Trading operations were reported in Corporate and Institutional Banking and the enabling units within Corporate Functions and Other. Comparative information has been restated accordingly.

Our strategic ambition

Why we are here

To be the most customer-centric company in Australia and New Zealand

Who we are here for

Customers
Customers who trust us and choose us to be their bank

Colleagues
Customer-obsessed colleagues who are proud to work at NAB

Who we are

We are customer obsessed

We keep it simple

We move with speed

We own it

We win together

What we will be known for

Relationship led
1. Exceptional bankers
2. Unrivalled customer service
3. Personalised and proactive

Exceptional experiences
1. Brilliant at the basics
2. Trusted in moments that matter
3. Simple, fast and easy to deal with

Safe and sustainable
1. Strong balance sheet and proactive risk management
2. Secure, simplified and resilient technology
3. Long term and sustainable approach

Where we will grow

Business & Private
Clear market leader

Corporate & Institutional
Disciplined growth

Personal
Deepen customer relationships

BNZ
Personal & SME

ubank
Customer acquisition

What we will deliver

Leading customer advocacy

Winning in market

Customer-obsessed colleagues

Simple, fast, resilient

Strong returns

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Economic outlook[1]

"In Australia, growth has been weak, in part due to the adjustment by households to higher interest rates and cost of living pressures. While the first half of 2024 will likely mark the trough in real GDP growth, the pick-up in growth from there is expected to be gradual with 1% forecast this year and around 2.25% over 2025 and 2026. Easing inflation, tax cuts and energy subsidies will all help put households in a better position through the second half of 2024 but early indications of how this affects consumption and economic growth are mixed, with some of the benefit likely to be saved initially. Weak growth will also feed into labour demand with the unemployment rate forecast to rise a little further before stabilising around 4.5%. Credit growth is expected to slow to about 4.5% over 2025 and 2026. While moderating inflationary pressures are encouraging, this is happening gradually meaning cash rate cuts are unlikely before February 2025. The pace at which inflation slows and the extent of labour market adjustments remain key to the outlook including the path of monetary policy.

A challenging economic environment has persisted in New Zealand, with the economy still in a recession which began in the December quarter 2022. This includes a fall in real GDP of 0.5% over the year to the June quarter 2024 reflecting weak private consumption growth and declining residential and business investment. The unemployment rate has increased from a low of 3.2% in March 2022 to 4.6% in June 2024, and is expected to rise above 5% before the end of this year. As activity has contracted, inflationary pressures have moderated and CPI inflation now lies within the central bank's target range of 1-3%. As such, restrictive monetary policy settings have started to ease, with the cash rate reduced by 75 basis points since August to 4.75% and further cuts expected in November and through 2025. This has seen a recent lift in business and consumer confidence, and is expected to support a recovery in economic growth from next year and, in time, some improvement in credit growth."

(1) References to years relate to calendar years. References to growth over a year relate to Dec quarter versus Dec quarter of previous year.

Strategic overview

Our strategy, in place since April 2020, has served us well despite significant shifts in the operating environment. We have delivered sustainable earnings growth and increased returns while improving customer and colleague experiences, supported by disciplined execution, persistent investment, increasingly resilient technology and prudent balance sheet settings.

In Business and Private Banking, a relationship-led approach increasingly enabled by digital, data and analytics has helped drive growth across the franchise. Since FY20 B&PB business lending balances have grown 42% including 8% growth over FY24. New business transaction account openings in FY24 are 53% higher than in FY20, including a 2% increase compared with FY23.

In Personal Banking, our focus since FY20 has been on providing simpler, more digital banking experiences including the rollout of a digital home lending platform. Over the four years to FY24, Australian home loan balances grew 20%, the proportion of simple everyday banking products opened digitally increased from 62% to 72% and new transaction account openings rose 23%.

Corporate and Institutional Banking (C&IB) has maintained a disciplined approach to growth and strong customer advocacy. This, combined with a focus on simplification and leveraging transactional banking capability, has seen C&IB's return on equity increase by approximately 600 bps over the four years to FY24, including 25 bps over FY24. Similarly, New Zealand Banking (NZB) has progressed well towards becoming a simpler, more digital bank while tilting to less capital intensive sectors. This has supported returns from FY20 to FY24 despite challenging economic conditions and rising regulatory capital requirements.

Having a strong customer franchise and engaged colleagues are key to our ability to grow sustainably. Colleague engagement has improved since FY20 with the most recent engagement score of 78 at July 2024 up 2 points since July 2020 and in line with July 2023. Consistent with our ambition, the latest score is one point higher than the top quartile benchmark(1).

Customer outcomes have been more mixed. While strategic net promoter scores (NPS)(2) have lifted across all segments since FY20, the Group has not achieved its ambition of positive NPS ranked first of Australian banks across all key segments. Over the 12 months to September 2024, Business NPS declined from 11 to 8 with NAB continuing to rank second among major banks while Mass Consumer NPS improved from -3 to -2 with NAB's ranking declining from equal first to third. High Net Worth (HNW) and Mass Affluent (MA) NPS improved from -7 to +2 and NAB's ranking improved from second to first of major banks while Large Corporate and Institutional NPS(3) rose 8 points with the Group's ranking improving from second to equal first. Customer advocacy is a priority focus for FY25.

A key focus of our investment has been on simplifying, automating and digitising our business and increasing the use of data and analytics. These initiatives have improved customer and colleague outcomes and made us more efficient. In FY24 we achieved productivity benefits of $453 million allowing us to limit growth in operating expenses in FY24 to 4.5%.

Safety has been a key pillar of our strategy since FY20. As a result, we have maintained prudent balance sheet settings and managed risk with discipline. At September 2024, collective provisions as a ratio of CRWA were 1.47% and the share of lending funded by deposits was above 80% - both materially stronger than pre COVID-19 levels. Liquidity and funding ratios remain well above regulatory minimums. Our Group CET1 ratio increased 13 basis points to 12.35% over the year to September 2024, well up from 11.47% at 30 September 2020, in part benefiting from 66 basis points related to the full implementation of APRA's revised capital framework(4). This improvement occured alongside us buying back and cancelling $7.4 billion worth of shares since August 2021, of which $2.1 billion occurred in FY24. Adjusting for the remaining $0.6 billion share buy-back outstanding at 30 September 2024, our proforma Group CET1 is approximately 12.21% against our target range of 11-11.5%.

Consistent with our strategic ambition, we have also delivered improved shareholder returns. While FY24 cash EPS(5) is 7% lower than a very strong FY23 outcome, cash ROE(5) has risen from 8.3% in FY20 to 11.6% in FY24 and compares with 12.9% in FY23. The final 2024 dividend has been set at 85 cents per share (cps), bringing total FY24 dividends to 169 cps which is 2 cps higher than FY23. This represents a FY24 cash earnings payout ratio of 73.7%, consistent with our target dividend payout ratio range of 65% – 75% of cash earnings, subject to Board determination based on circumstances at the relevant time.

To build on our significant progress since FY20, we have evolved our strategy. While no major pivots are required, the evolved strategy aims to achieve stronger customer advocacy, increased simplification and faster outcomes, along with ongoing focus on improved performance in deposits and proprietary lending. To support this, investment spend on a restated basis(6) is expected to modestly increase from $1,638 million in FY24 to approximately $1.8 billion in FY25.

Amplifying the voice of the customer and increasing our responsiveness to customer feedback is critical to achieving our ambitions. To do this, we need a more consistent Group-wide customer advocacy measurement system, linked to our investment decision-making framework and incentive structures. At the same time, simplification requires heightened prioritisation. We are nearing completion on a number of key investment priorities underway since FY20 and finishing that work will be an important part of reducing complexity. Technology will continue to play an important role in enabling our evolved strategic ambitions, including ongoing modernisation and replacement of complex and ageing hardware and software.

We move forward with optimism and confidence in our strong foundations and evolved strategy. Customer centricity, simplification and speed will become the hallmarks of NAB going forward. This is expected to drive leading customer advocacy, underpinning sustainable growth and attractive returns for shareholders.

(1) Engagement scores refer to Glint 'Heartbeat' outcomes. Top quartile comparison is based upon Glint's client group (domestic and global, from all industries).
(2) Net Promoter® and NPS® are registered trademarks of Bain & Company, Inc., NICE Systems, Inc., and Fred Reichheld. Net Promoter ScoreSM is a service mark of Bain & Company, Inc., NICE Systems, Inc., and Fred Reichheld. Sourced from RFI Global – Atlas, measured on 6 month rolling average to September 2024. Mass Consumer: based on all consumers, 18+ and excludes HNW&MA customers. HNW&MA: based on all consumers, 18+ with personal income of $260k+ and/or investible assets $2.5m+ and/or footings of over $850k. Business Strategic NPS is constructed based on 25:25:50 weighting of underlying segments, allocated to Nano & Micro: Small: Medium & Large, respectively. Nano & Micro (Businesses with a turnover up to $1m or $1m-$5m with no perceived banker), Small (Businesses with a turnover $1m-$5m with a perceived banker), Medium & Large (Businesses with a turnover between $5m and <$200m). Ranking based on absolute scores, not statistically significant differences.
(3) Coalition Greenwich (formerly Peter Lee Associates) - Large Corporate and Institutional Relationship Banking Survey 2024. Ranking against the four major domestic banks. Coalition Greenwich is a division of Crisil.
(4) Includes 19 basis points related to early adoption of Operational Risk changes in 1H22. All other impacts from 1 January 2023.
(5) Cash EPS reflects basic EPS. Both Cash EPS and Cash ROE exclude large notable items from FY20 cash earnings.
(6) Restated to reflect previously defined investment spend ($1,451 million in FY24) plus Other capitalised software ($187 million in FY24).

Group performance results

Cash earnings is a non-IFRS key financial performance measure used by NAB and the investment community. NAB also uses cash earnings for its internal management reporting as it better reflects what NAB considers to be the underlying performance of the Group. Cash earnings is not a statutory financial measure, is not presented in accordance with Australian Accounting Standards, and is not audited or reviewed in accordance with Australian Auditing Standards. The 2024 Full Year Results Management Discussion and Analysis provides details of how cash earnings is defined on page 10 and a discussion of non-cash earnings items and full reconciliation of statutory net profit attributable to owners of the Company on pages 73 to 75.

	Year to			Half Year to		
	Sep 24 $m	Sep 23 $m	Sep 24 v Sep 23 %	Sep 24 $m	Mar 24 $m	Sep 24 v Mar 24 %
Net interest income	**16,754**	16,807	(0.3)	**8,357**	8,397	(0.5)
Other operating income	**3,496**	3,847	(9.1)	**1,755**	1,741	0.8
Net operating income	**20,250**	20,654	(2.0)	**10,112**	10,138	(0.3)
Operating expenses	**(9,427)**	(9,023)	4.5	**(4,750)**	(4,677)	1.6
Underlying profit	**10,823**	11,631	(6.9)	**5,362**	5,461	(1.8)
Credit impairment charge	**(728)**	(802)	(9.2)	**(365)**	(363)	0.6
Cash earnings before income tax	**10,095**	10,829	(6.8)	**4,997**	5,098	(2.0)
Income tax expense	**(2,975)**	(3,093)	(3.8)	**(1,434)**	(1,541)	(6.9)
Cash earnings before non-controlling interests	**7,120**	7,736	(8.0)	**3,563**	3,557	0.2
Non-controlling interests	**(18)**	(5)	large	**(9)**	(9)	-
Cash earnings	**7,102**	7,731	(8.1)	**3,554**	3,548	0.2
Non-cash earnings items (after tax)	**(39)**	(266)	(85.3)	**(35)**	(4)	large
Net profit attributable to owners of the Company from continuing operations	**7,063**	7,465	(5.4)	**3,519**	3,544	(0.7)
Net loss attributable to owners of the Company from discontinued operations	**(103)**	(51)	large	**(53)**	(50)	6.0
Net profit attributable to owners of the Company	**6,960**	7,414	(6.1)	**3,466**	3,494	(0.8)
Represented by:						
Business and Private Banking[1,2]	**3,257**	3,258	-	**1,611**	1,646	(2.1)
Personal Banking[1]	**1,174**	1,461	(19.6)	**618**	556	11.2
Corporate and Institutional Banking[3]	**1,772**	1,840	(3.7)	**873**	899	(2.9)
New Zealand Banking[3]	**1,333**	1,394	(4.4)	**636**	697	(8.8)
Corporate Functions and Other[2,3]	**(434)**	(222)	95.5	**(184)**	(250)	(26.4)
Cash earnings	**7,102**	7,731	(8.1)	**3,554**	3,548	0.2

(1) During the year ended 30 September 2024, some customer lending and deposit portfolios were transferred between Personal Banking and Business and Private Banking. Comparative information has been restated accordingly.
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Shareholder summary

	Year to			Half Year to		
	Sep 24	Sep 23	Sep 24 v Sep 23	Sep 24	Mar 24	Sep 24 v Mar 24
Group - Including discontinued operations						
Dividend per share (cents)	**169**	167	2	**85**	84	1
Statutory dividend payout ratio	**75.2%**	70.6%	460 bps	**75.6%**	74.9%	70 bps
Statutory earnings per share (cents) - basic	**224.6**	236.4	(11.8)	**112.4**	112.2	0.2
Statutory earnings per share (cents) - diluted	**222.7**	228.7	(6.0)	**111.4**	110.4	1.0
Statutory return on equity	**11.4%**	12.3%	(90 bps)	**11.3%**	11.5%	(20 bps)
Net tangible assets per ordinary share ($)	**18.29**	17.96	1.8%	**18.29**	18.16	0.7%
Group - Continuing operations						
Cash dividend payout ratio	**73.7%**	67.7%	600 bps	**73.8%**	73.7%	10 bps
Statutory dividend payout ratio from continuing operations	**74.2%**	70.2%	400 bps	**74.5%**	73.8%	70 bps
Statutory earnings per share from continuing operations (cents) - basic	**227.9**	238.0	(10.1)	**114.1**	113.8	0.3
Statutory earnings per share from continuing operations (cents) - diluted	**225.8**	230.2	(4.4)	**113.0**	111.9	1.1
Cash earnings per share (cents) - basic	**229.2**	246.5	(17.3)	**115.2**	114.0	1.2
Cash earnings per share (cents) - diluted	**227.0**	238.0	(11.0)	**114.1**	112.0	2.1
Cash return on equity	**11.6%**	12.9%	(130 bps)	**11.6%**	11.7%	(10 bps)

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This Results Summary has been authorised for release by the Board.

Disclaimer - Forward looking statements

This Result Summary and the 2024 Full Year Results Management Discussion and Analysis contain statements that are, or may be deemed to be, forward looking statements. These forward looking statements may be identified by the use of forward looking terminology, including the terms "believe", "estimate", "plan", "project", "anticipate", "expect", "target", "intend", "likely", "may", "will", "could" or "should" or, in each case, their negative or other variations or other similar expressions, or by discussions of strategy, plans, objectives, targets, goals, future events or intentions. Indications of, and guidance on, future earnings and financial position and performance are also forward looking statements. You are cautioned not to place undue reliance on such forward looking statements. Such forward looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors, many of which are beyond the control of the Group, which may cause actual results to differ materially from those expressed or implied in such statements. There can be no assurance that actual outcomes will not differ materially from these statements.

There are many factors that could cause actual results to differ materially from those projected in such statements, including (without limitation) a significant change in the Group's financial performance or operating environment; a material change to law or regulation or changes to regulatory policy or interpretation; and risks and uncertainties associated with the ongoing impacts of the Russia-Ukraine and Israel-Palestine conflicts and other geopolitical tensions, the Australian and global economic environment and capital market conditions. Further information is contained in the Group's Annual Report for the 2024 financial year, available at nab.com.au.