

national  
australia  
bank



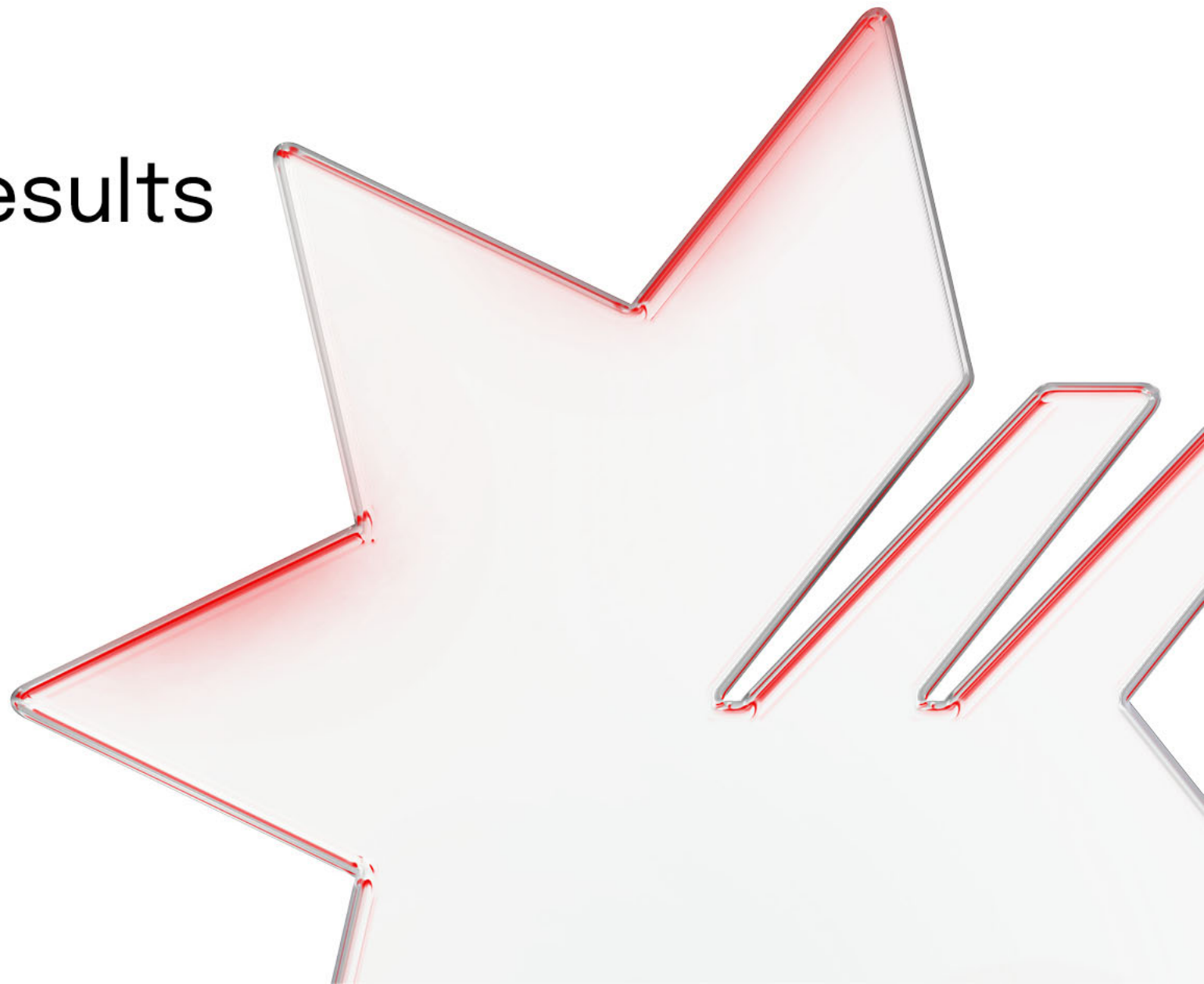
# Full Year Results 2024

**Investor Presentation**  
7 November 2024

**Andrew Irvine**  
Group Chief Executive Officer

**Nathan Goonan**  
Group Chief Financial Officer

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# NAB 2024 Full Year Results Index

This presentation is general background information about NAB. It is intended to be used by a professional analyst audience and is not intended to be relied upon as financial advice. Refer to page 136 for legal disclaimer.

Financial information in this presentation is based on cash earnings, which is not a statutory financial measure. Refer to page 40 for definition of cash earnings and reconciliation to statutory net profit.

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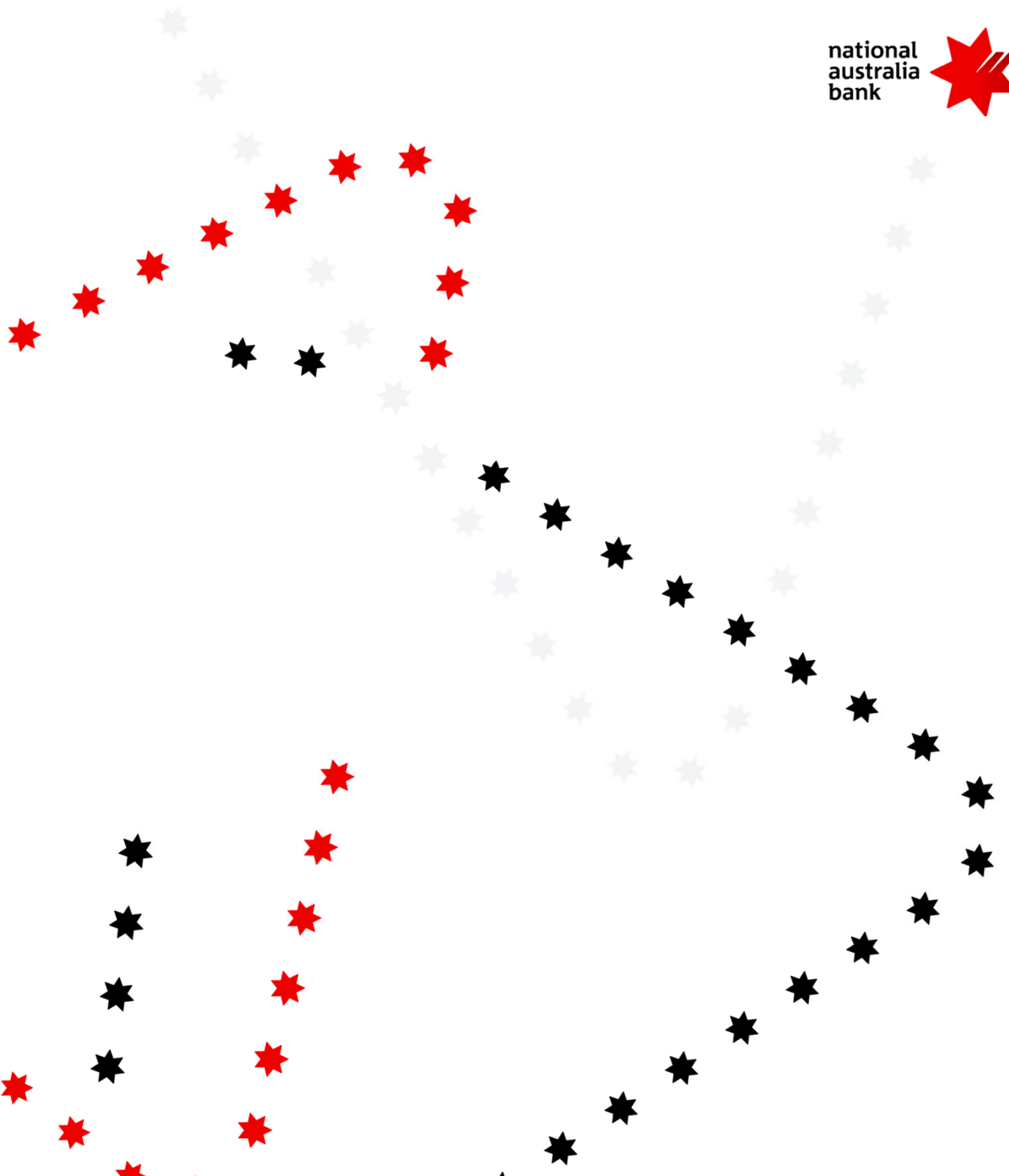


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# Overview

**Andrew Irvine**

Chief Executive Officer



# Key messages

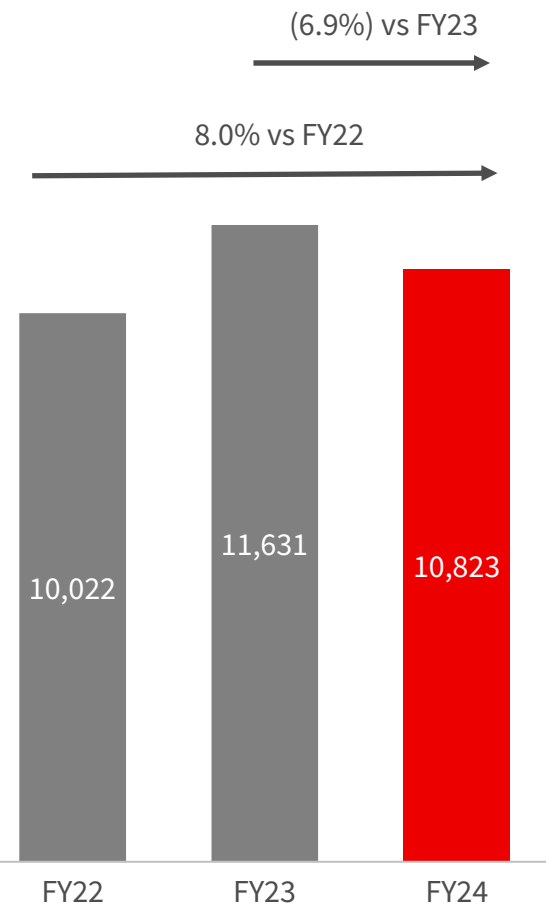
- Sound FY24 financial performance benefitting from a more stable 2H24 operating environment
- Supporting customers impacted by higher costs of living and interest rates
- Focus on disciplined execution over past 4 years has delivered good balance sheet momentum and improved returns while retaining prudent balance sheet settings
- Strategy refresh to drive stronger customer advocacy, greater speed and simplification
- Continue to make deliberate choices about investment and growth to drive returns
- Australia on track for soft landing, business activity remains resilient

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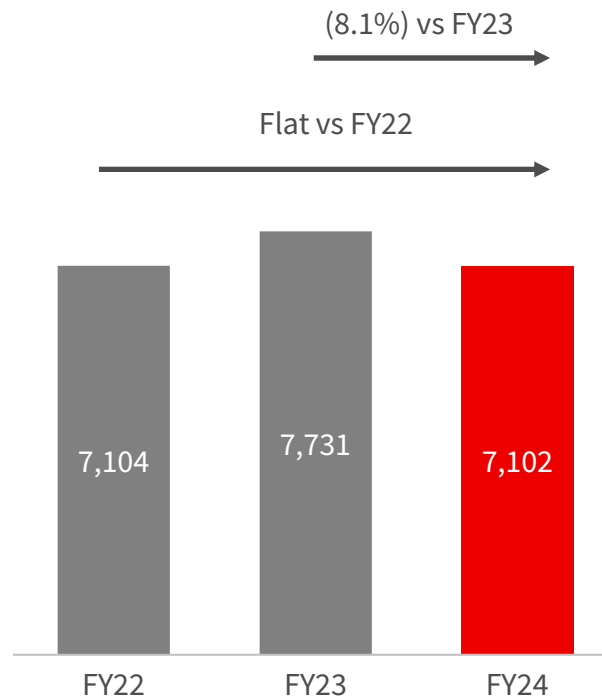
# Financial results

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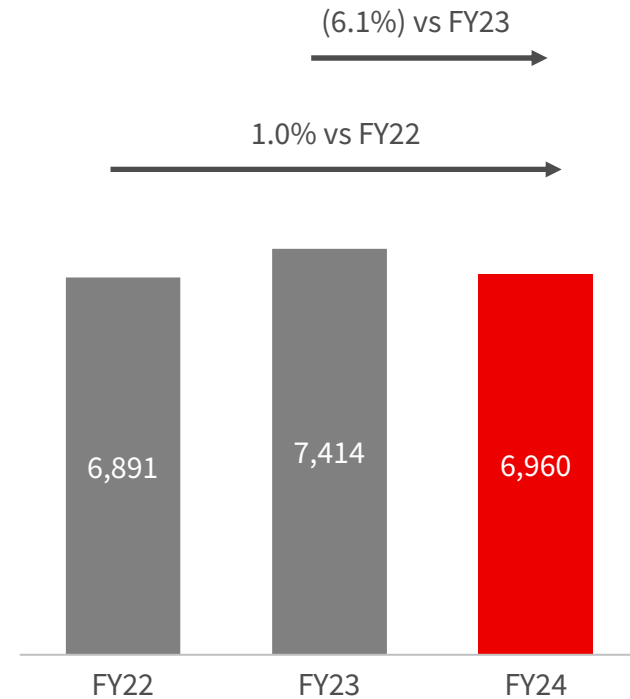
Underlying profit (\$m)



Cash earnings<sup>1</sup> (\$m)



Statutory profit (\$m)



(1) Refer to page 40 for definition of cash earnings and reconciliation to statutory net profit

# Helping our customers in a challenging environment

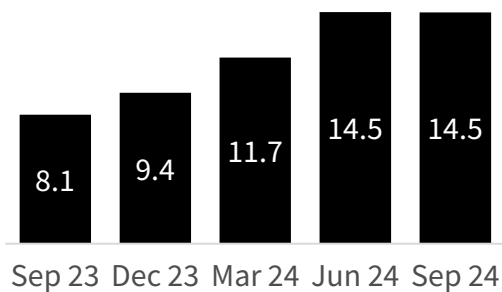
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## Supporting personal and small business customers experiencing financial difficulty

- 26% increase in NAB Assist customer call volumes in FY24<sup>1</sup>
- Support options for hardship customers include reduced repayments, payment breaks, loan reviews and restructures
- Improved hardship customer identification, support and communications

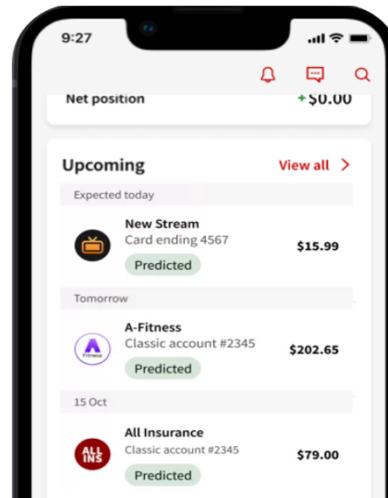
## Customer accounts receiving hardship assistance<sup>2</sup>

(k)



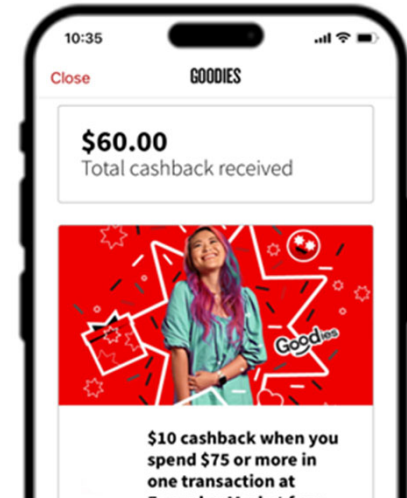
## Strong customer engagement with financial wellbeing tools in FY24

- >1.5m customers used our digital spending tool
- >6m digital financial wellbeing interactions<sup>3</sup>
- Launched 'Upcoming', an in-app tool allowing customers to view predicted upcoming bills and subscriptions



## Offering customers more loyalty and recognition benefits

- Launched loyalty program 'NAB Goodies' in the app
  - Personalised cashbacks and discounts from >80 brands
  - >\$3m in-app cashbacks to customers since Jun 24 launch
- Offering NAB business transaction account holders a range of benefits and discounts from partner companies



(1) Includes inbound and proactive outbound calls

(2) Number of personal and small business customer accounts actively receiving NAB Assist financial hardship assistance as at the end of month, for example 30 September 2024. Includes Advantedge from December 2023, Citi mortgages from March 2024, ubank from June 2024, and from March 24 reflects operational changes supporting earlier identification of customers experiencing financial hardship

(3) Financial wellbeing interactions include customer uses of the spending and savings tools, and outbound financial wellbeing alerts and activities, via internet banking and mobile app

# Balance sheet momentum aligned to long-term strategy

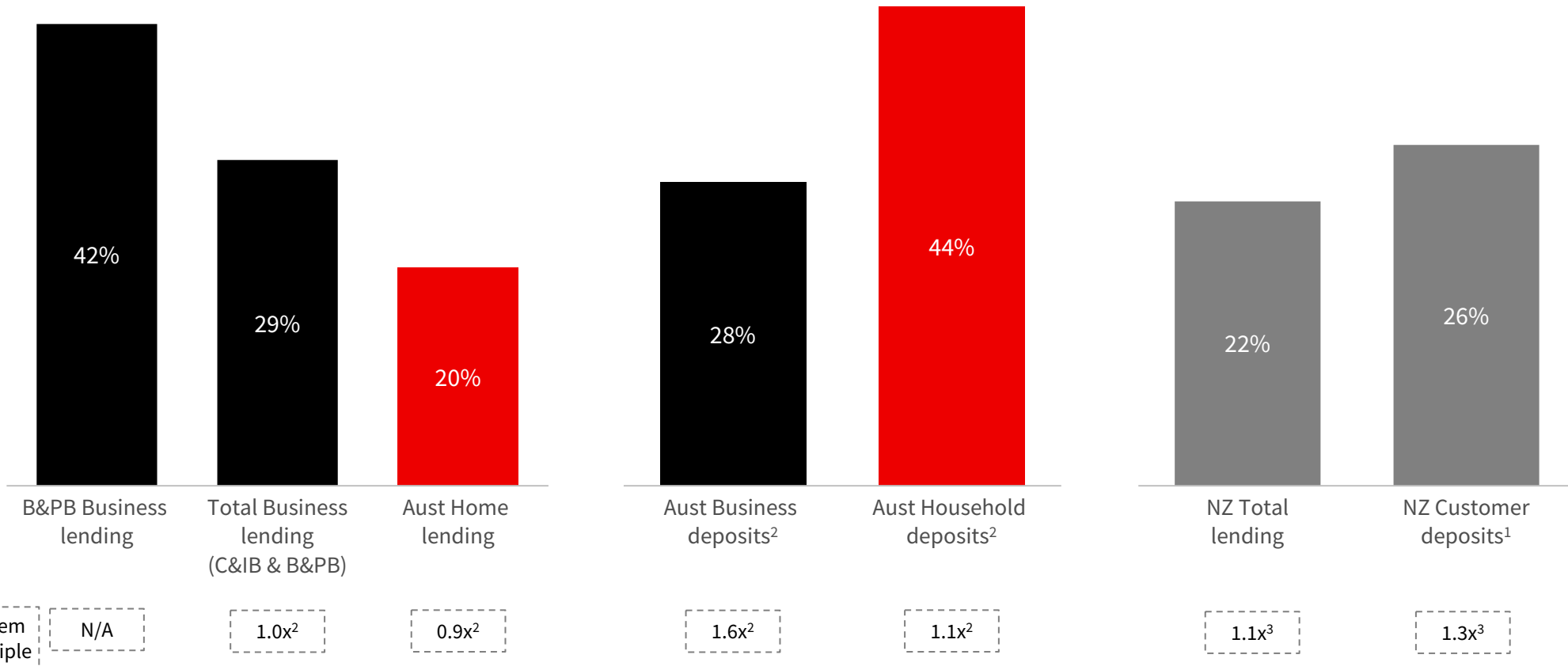
Lending growth tilted to higher returning business segments

Growing share in deposits

Consistent growth in NZ

Growth in balances (4 years from Sep 2020 - Sep 2024)

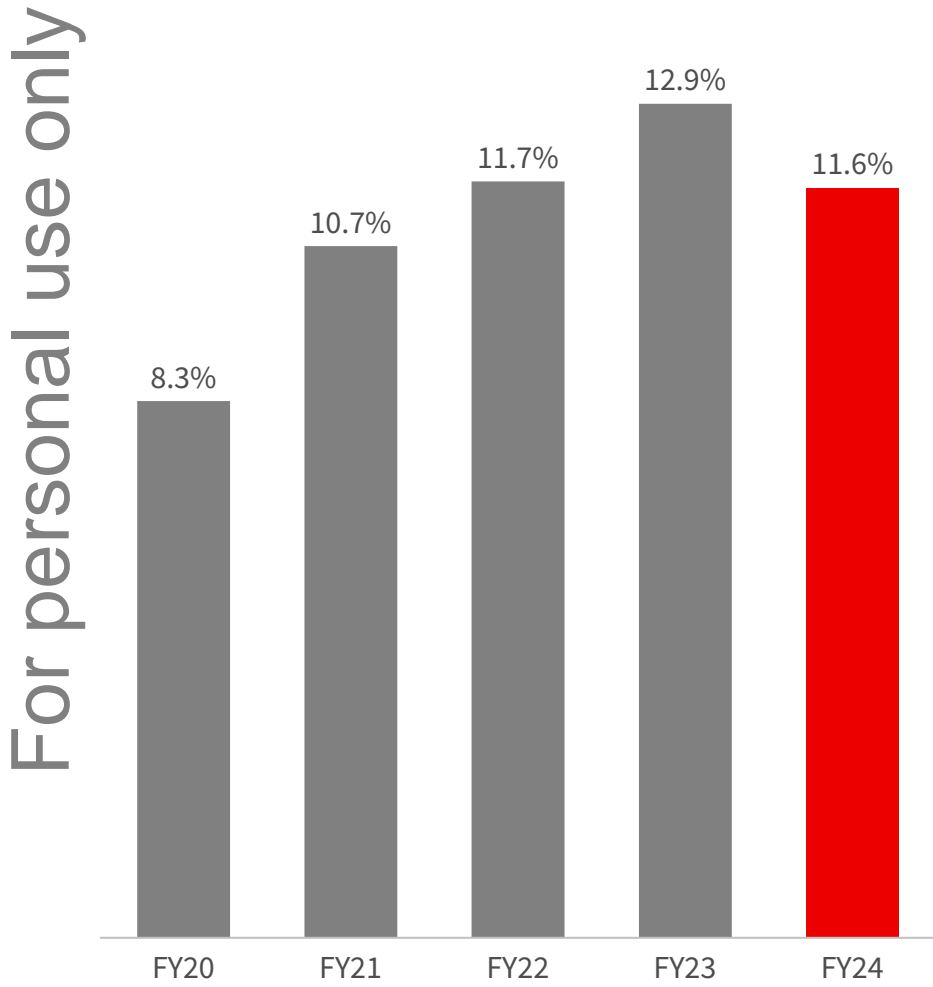
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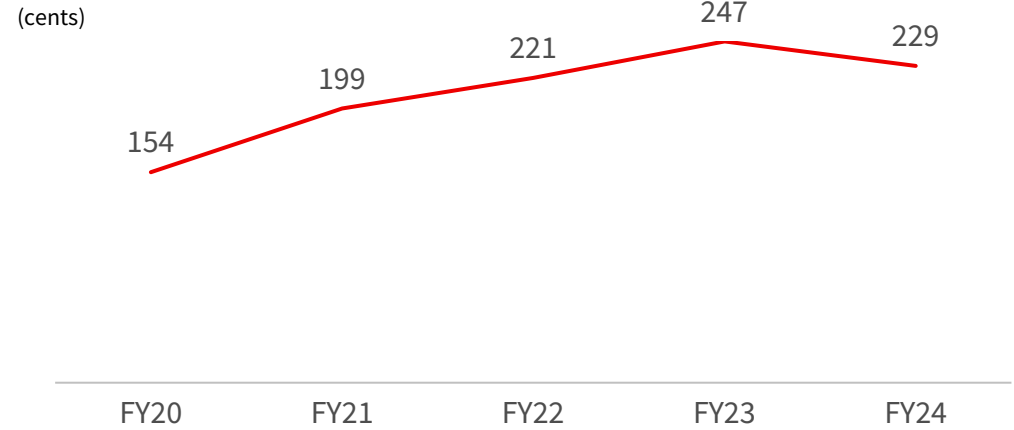
(1) Sep 2020 balances have not been restated for the change in reporting of the Markets Trading operation and enabling units now reported within New Zealand banking  
 (2) APRA Monthly Authorised Deposit-taking Institution statistics. Latest data as at Sep 24. Business lending system multiple and Business deposits exclude Government and Financial Institution deposits  
 (3) RBNZ market share statistics. Latest data as at Sep 2024

# Delivering improved shareholder returns over time

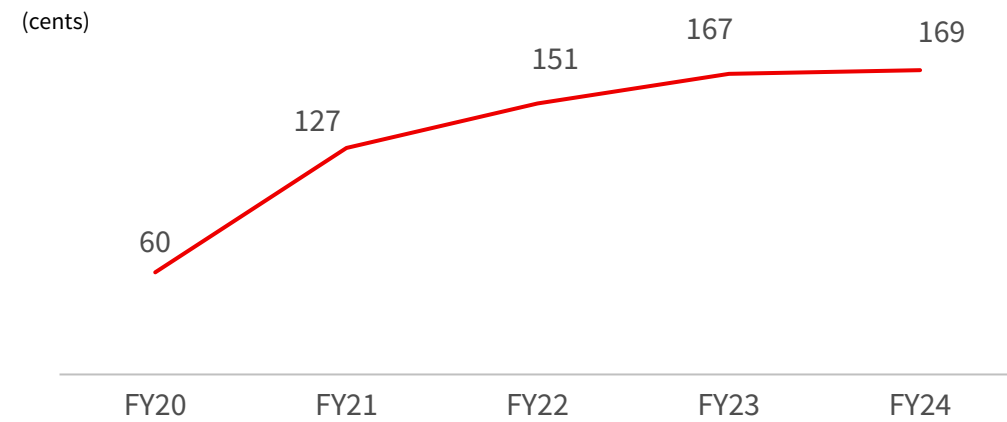
Cash return on equity<sup>1</sup>



Basic cash EPS<sup>1</sup>



Dividends per share



Payout ratio<sup>2</sup>



(1) FY20 ROE and cash EPS exclude large notable items

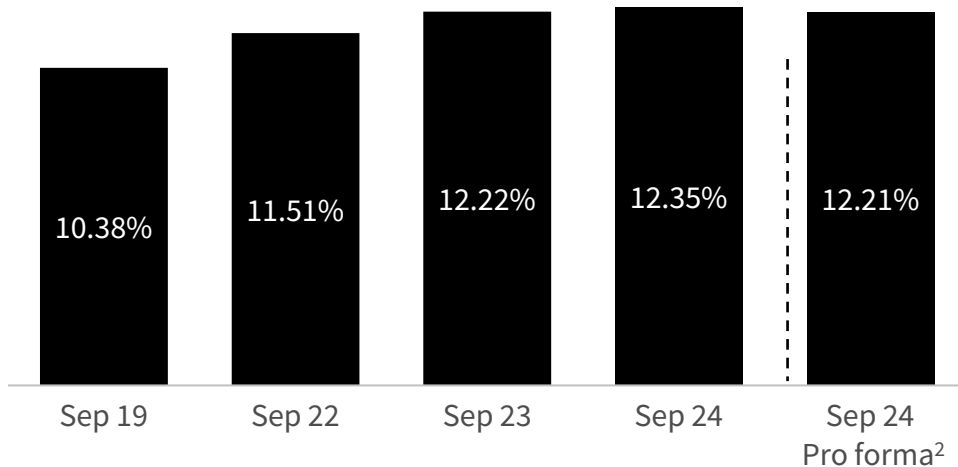
(2) Based on basic EPS



# Maintaining prudent balance sheet settings

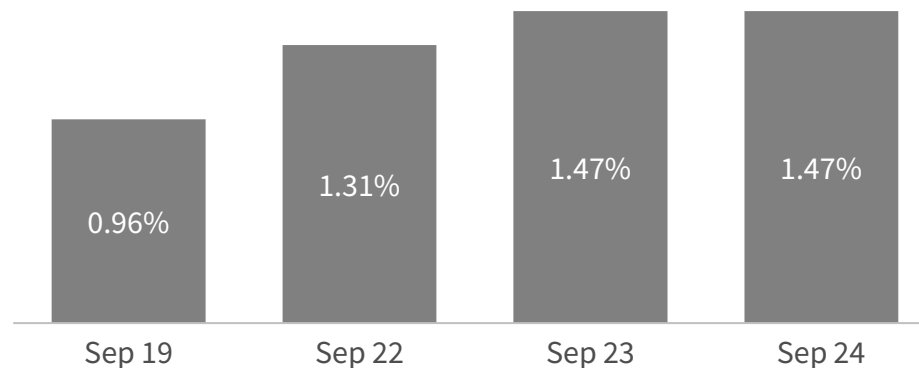
## Group CET1 above target range of 11.0% - 11.5%<sup>1</sup>

~\$7.4bn on-market share buy-backs completed since Aug 21



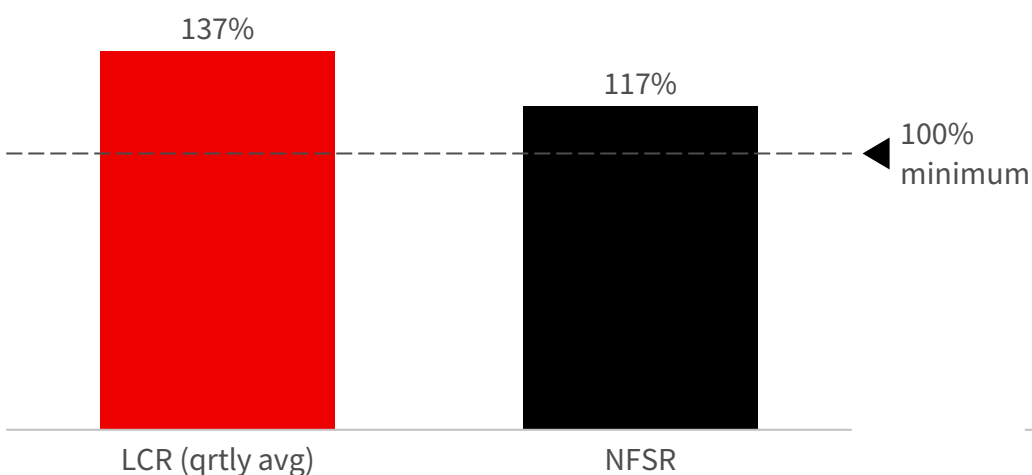
## Strong provisioning CP/CRWA<sup>1</sup>

\$5.2bn CP at Sep 24 includes \$1.9bn of forward-looking provisions

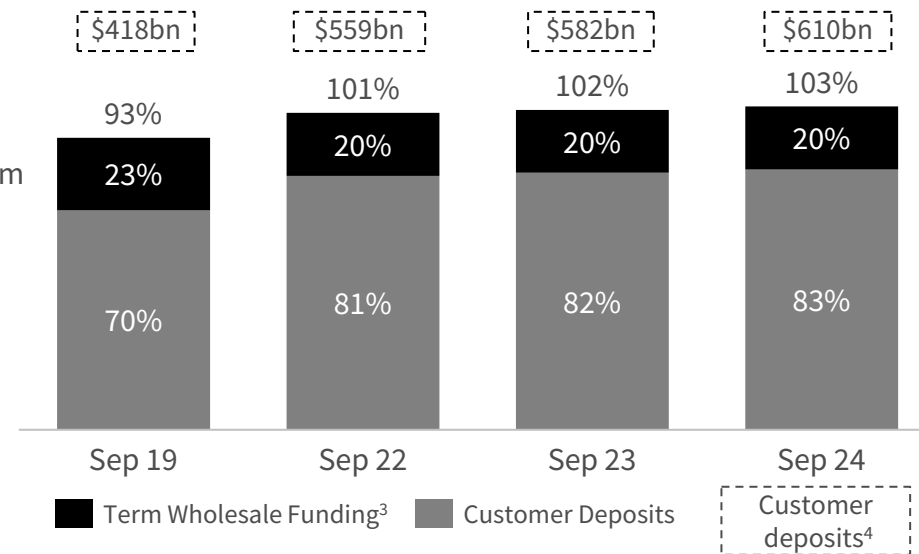


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## LCR and NSFR well above regulatory minimums at Sep 24



## GLA increasingly funded by deposits



(1) Sep 23 and beyond is reported under APRA's revised capital framework effective from 1 January 2023

(2) Pro forma CET1 ratio reflects the \$0.6bn balance of shares expected to be acquired under the on-market share buy-back

(3) 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

(4) Excludes customer deposits in New York and London

# Evolving our long-term strategy

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## Our Strategic Ambition

- Move to a more customer-centric, simpler and fast-paced organisation
- Reinforce execution disciplines
  - More granular focus on measuring and improving customer experience across key interactions
  - Implement more consistent feedback loops

## Approach

- Continue to keep the bank safe
- Build on strong foundations
- Focus on finishing “in flight” projects to maintain momentum in our business
- Modest increase in technology spend to execute new initiatives – continue to focus on cost discipline

## What we aim to deliver over the medium term<sup>1</sup>

### Leading customer advocacy

- Improved customer service and customer experiences

### Winning in market

- Maintain B&PB’s market leading position
- Targeted growth opportunities across franchise

### “Customer obsessed” colleagues

- Reflected in culture, talent and leadership
- Maintain top quartile engagement<sup>2</sup>

### Simple, fast and resilient

- A simpler business for customers and colleagues
- Gradually eliminate complex and ageing technology

### Strong returns

- Cash ROE and EPS growth

(1) Refer to key risks, qualifications and assumptions in relation to forward looking statements on page 136

(2) Top quartile comparison is based upon Glint’s client group (domestic and global, from all industries)


# Our long-term strategy

## Why we are here

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


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## 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**

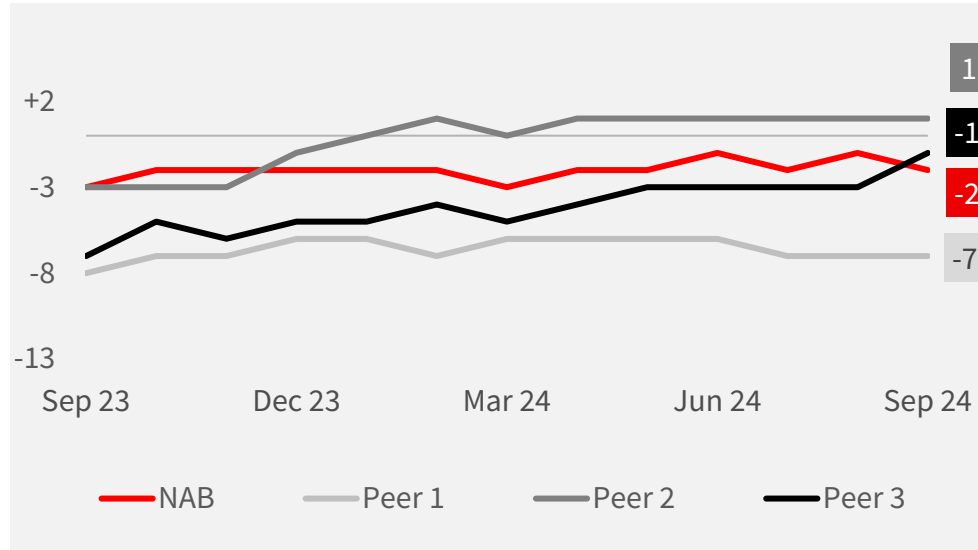
 **Simple, fast, resilient**

 **Strong returns**

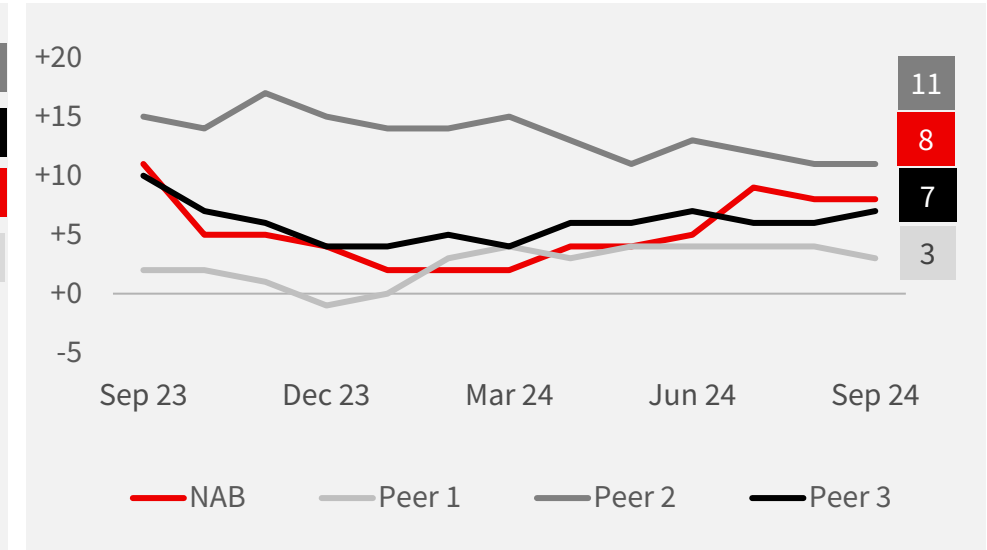
# Focused on driving improved customer advocacy

Net Promoter Score relative to major bank peers

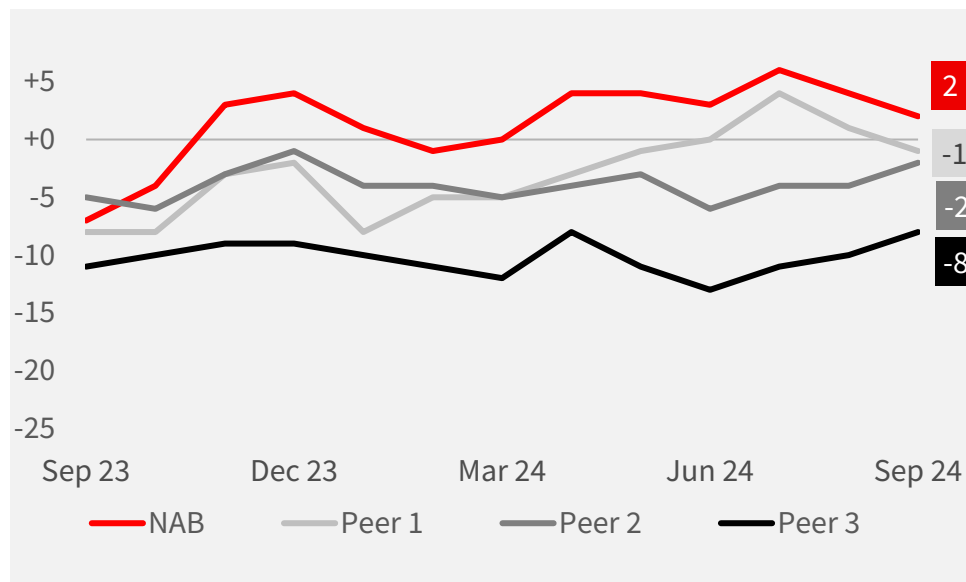
#3 Mass Consumer<sup>1</sup>



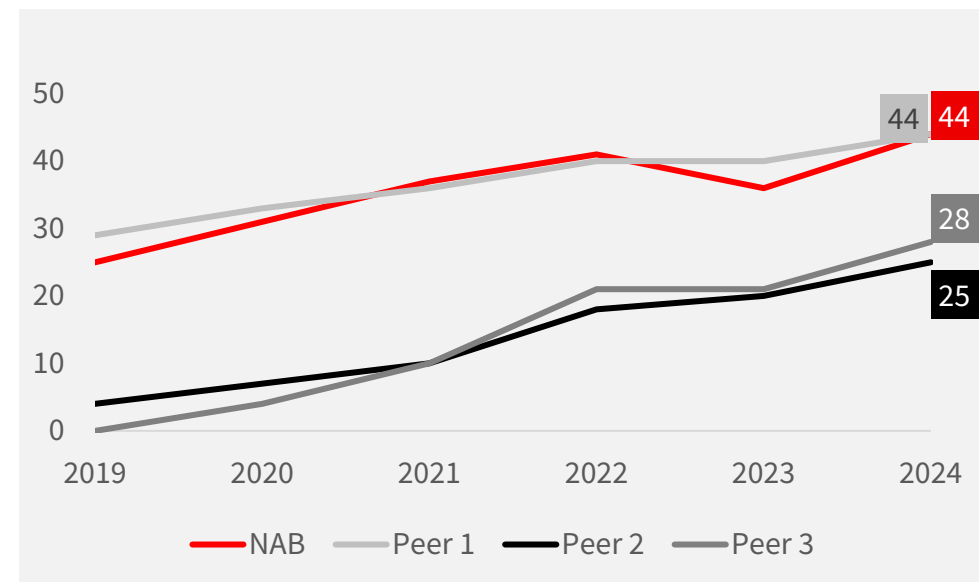
#2 Business<sup>2</sup>



#1 High Net Worth & Mass Affluent<sup>3</sup>



=#1 Large Corporate & Institutional<sup>4</sup>



(1-4) Refer to sources and notes at the back of this presentation on page 135 for further details

Net Promoter® and NPS® are registered trademarks of Bain & Company, Inc., NICE Systems, Inc., and Fred Reichheld. Net Promoter Score<sup>SM</sup> is a service mark of Bain & Company, Inc., NICE Systems, Inc., and Fred Reichheld

# “Customer obsessed” colleagues

Who we are



We are customer obsessed



We keep it simple



We move with speed



We own it

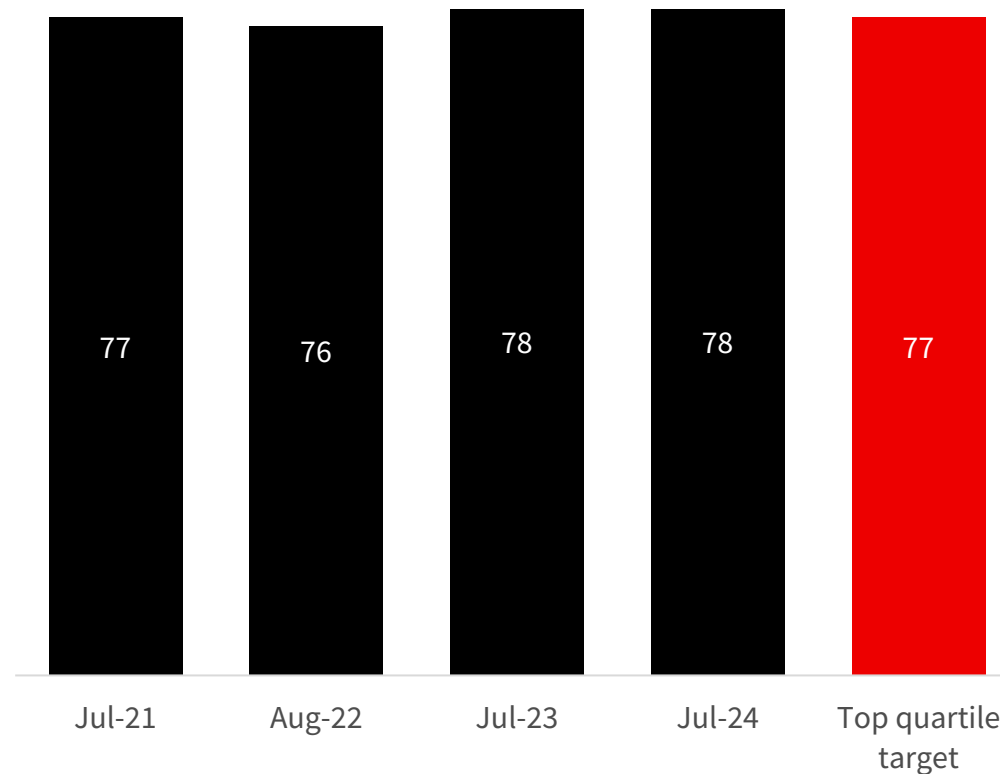


We win together

## Refreshed colleague strategy to support strategic execution

- Colleague strategy centred on 3 pillars
  - Building a customer centric **culture**
  - **Talent** acquisition and retention
  - **Leaders** who inspire and support performance
- Supported by simplification and technology modernisation
- Senior leadership team in place across divisions with alignment to areas of strategic focus

## Colleague engagement score remains top quartile<sup>1</sup>



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

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Australia's leading business bank servicing the business & personal banking needs of SME customers<sup>1</sup>

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**Relationship-led**

Increasingly enabled by digital, data & analytics

**More bankers in more places**

>6,000 customer roles  
~150 business centres  
~450 branches with small business bankers

**Deep sector specialisations**

Agri, Health, CRE  
Govt, Education & Community,  
Professional Services  
Franchising

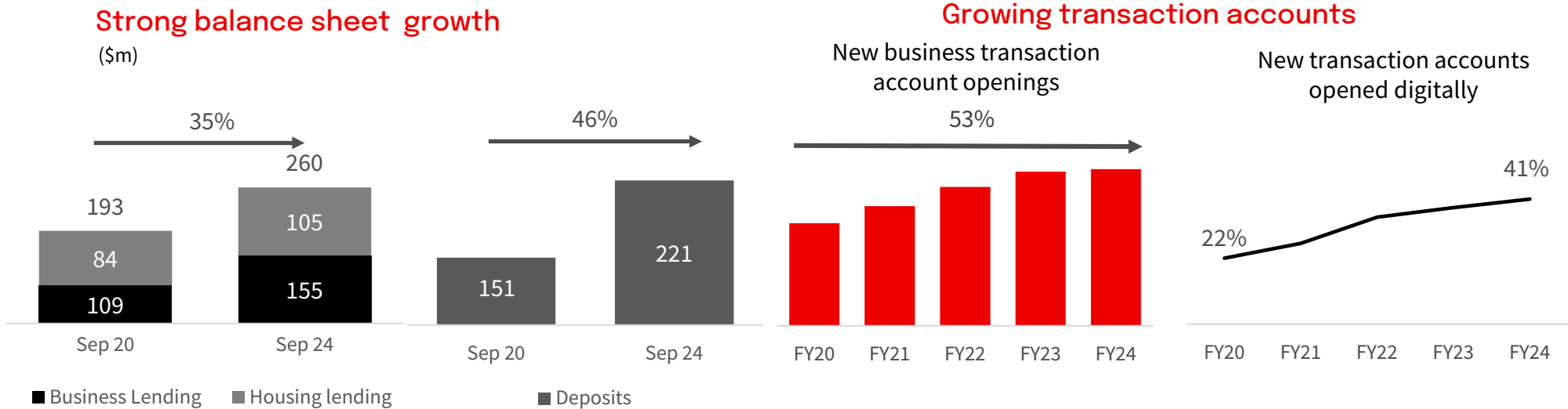
**Integrated HNW offering**

JBWere  
Private Bank  
nabtrade

**Deep credit capability**

Well diversified,  
highly secured  
portfolio

~\$1.8bn investment<sup>2</sup> added since Sep 20 to support growth  
\$48bn to support new lending to businesses in FY24<sup>3</sup>



(1) B&PB customers typically have borrowings up to \$50m and turnover less than \$100m  
 (2) Investment spend includes allocation of indirect investment spend for change initiatives which benefit multiple divisions  
 (3) New and increased limits approved for new and existing customers, including the gross value of any transfers from existing customers into new products

# Australian housing lending

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## Strategy

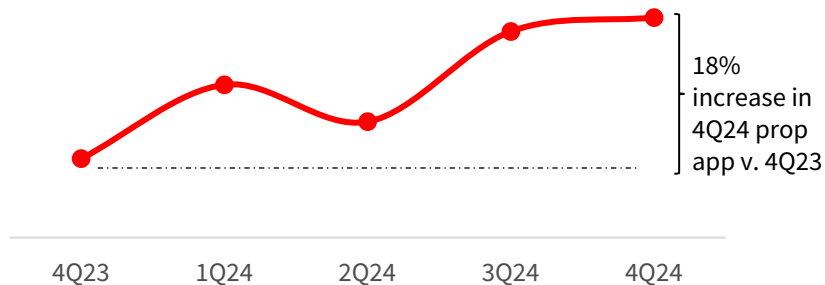
- Deliver seamless customer, banker and broker experiences supported by investment in digital, data and technology
- Continue to manage portfolio returns through a disciplined approach
- Improve performance of proprietary channels

## Key priorities

- Complete rollout of Simple Home Loans platform
- Invest in banker salesforce to grow share of proprietary lending
- Continue to increase utilisation of banker tools such as leads generation and virtual meetings

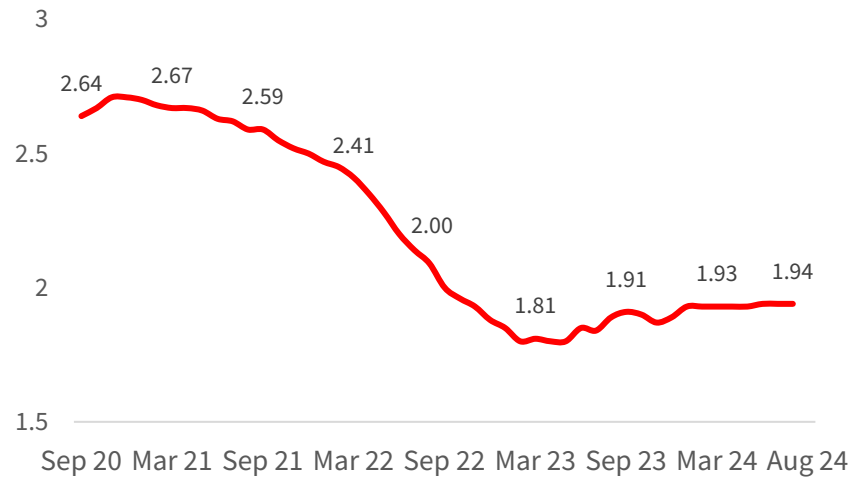
## Proprietary applications (PB and B&PB)

(\$)



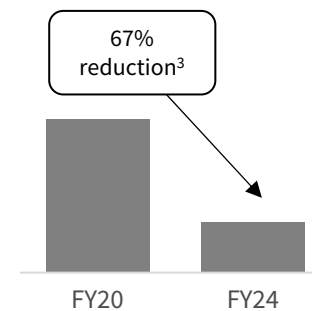
## RBA owner occupier VR front book pricing<sup>1</sup>

(%)



## Delivering better customer experiences in FY24

Median CXTTUA<sup>2</sup>



**NAB #1**  
PEXA % of settlements signed on time<sup>4</sup>

**85% applications auto-approved same day<sup>5</sup>**

(1) Based on RBA Lenders' Interest Rates Aug 2024. Front book large institution owner occupier variable rate (net of cash rate)  
 (2) Customer Experience Time To Unconditional Approval (CXTTUA) measures the time taken from the banker or broker submitting the application for first auto-decision until unconditional approval is achieved and loan documents are in the hands of our customers  
 (3) Includes Broker, Retail and B&PB home lending applications excluding trust, company and complex lending  
 (4) NAB ranked 1<sup>st</sup> for 11 months in FY24 for PEXA's Signed On Time (SOT). SOT measures whether NAB signed by the scheduled settlement date once all institutions/parties accepted the settlement date  
 (5) Broker and proprietary home loan applications auto decided same day via Simple Home Loans platform using an automated credit rules engine without need for manual intervention in FY24

## PB Premier targeting Mass Affluent segment

- Leveraging NAB Private Banking expertise to grow and deepen relationships with mass affluent customers
- Premier customer segment services ~165k customers
- Customers receive
  - Access to Premier bankers and specialist teams
  - Personalised insights, banking products and investment solutions
  - Recognition and rewards for customer loyalty



## B&PB NAB Portal Pay for secure payments to real estate agents

- Faster, safer and easier payments with strong fraud controls
- Real estate agents can receive property deposits in real-time and receive and reconcile rental payments
- Secure, easy-to-use Tenant Portal allows tenants to choose to pay rent by card or direct debit, review payment history and schedule future payments



## C&IB NAB Liquidity+ nextgen cash management

- AI enabled cash management solution for customers with sophisticated cash, liquidity, working capital and FX needs
- Real-time visibility of cash, dynamic cash insights and precision forecasting
- Customers can securely access both NAB and third-party bank accounts to consolidate cashflow data at a group level, improving visibility and control



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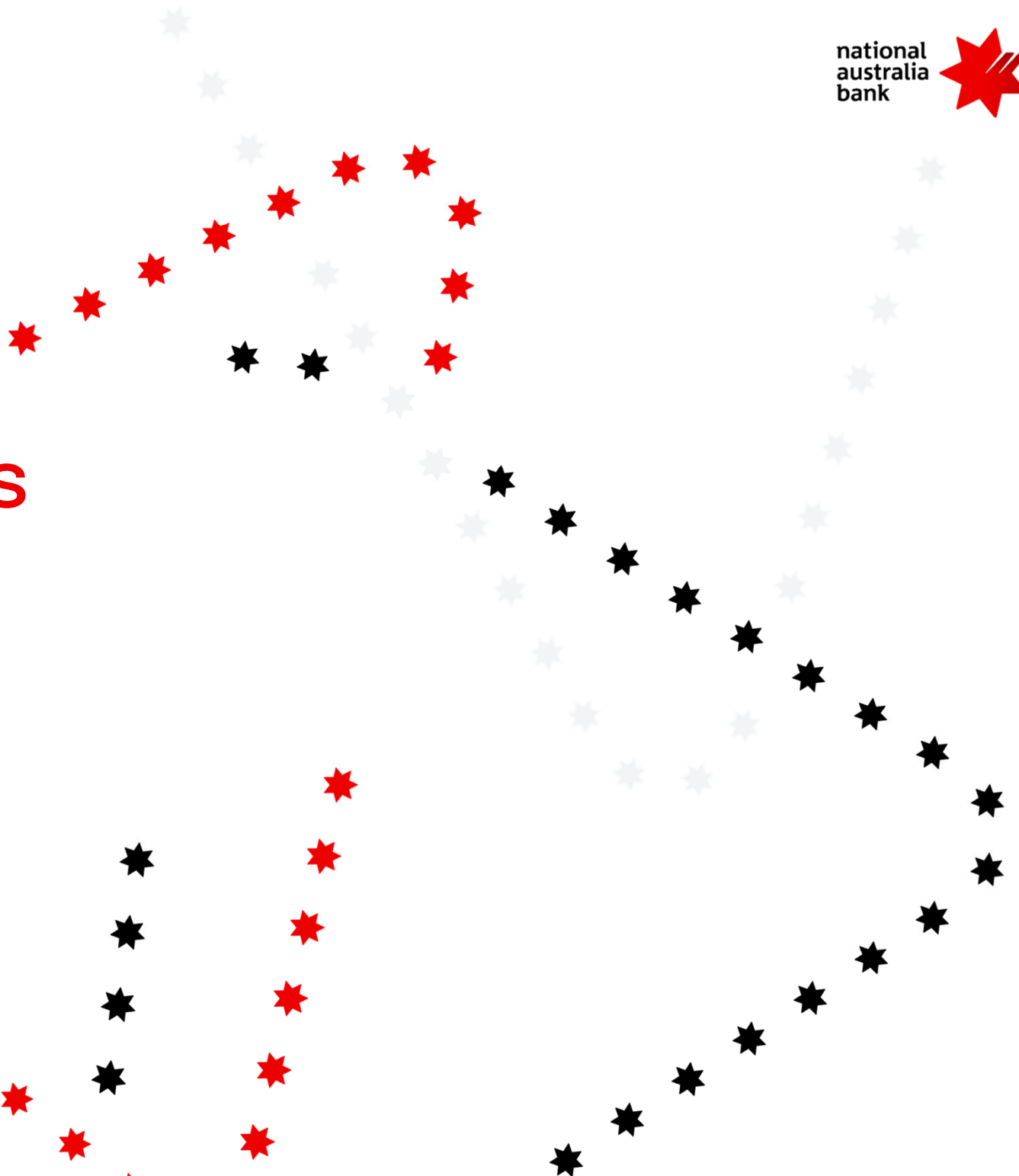


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# FY24 Financials

**Nathan Goonan**

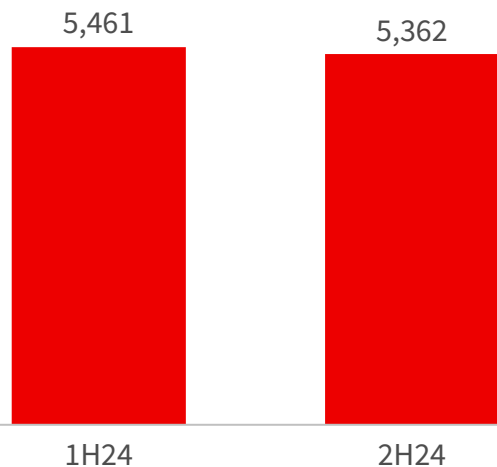
Chief Financial Officer



# Financial results

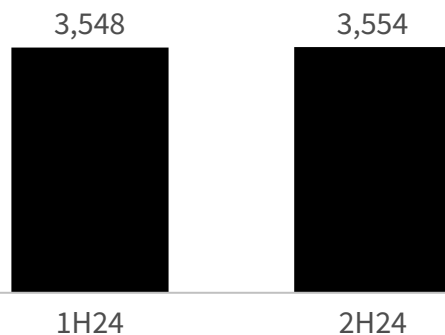
Underlying profit (\$m)

(1.8%)



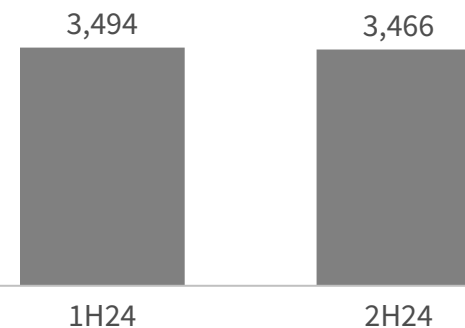
Cash earnings<sup>1</sup> (\$m)

0.2%



Statutory profit (\$m)

(0.8%)



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P&L key financial indicators	1H24 (\$m)	2H24 (\$m)	2H24 v 1H24
Net operating income	10,138	10,112	(0.3%)
ex Markets & Treasury	9,282	9,374	1.0%
Operating expenses	(4,677)	(4,750)	1.6%
Credit impairment charge	(363)	(365)	0.6%

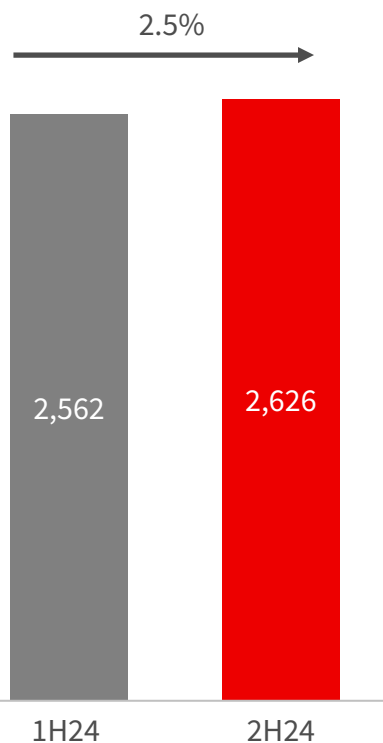
(1) Refer to page 40 for definition of cash earnings and reconciliation to statutory profit

# Divisional performance aligned to our strategy

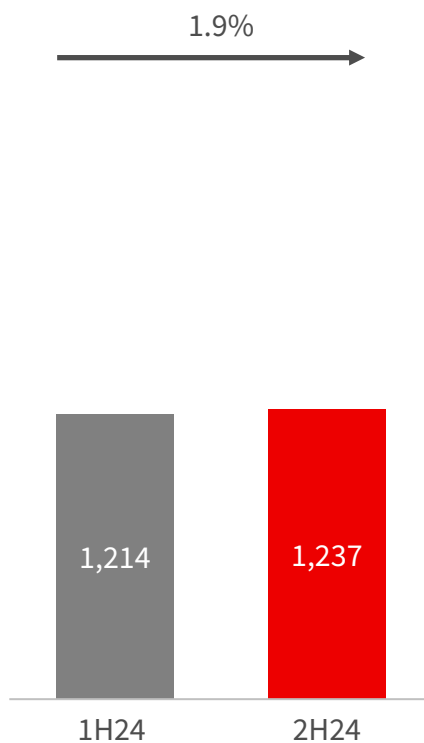
## Underlying divisional profit (\$m)

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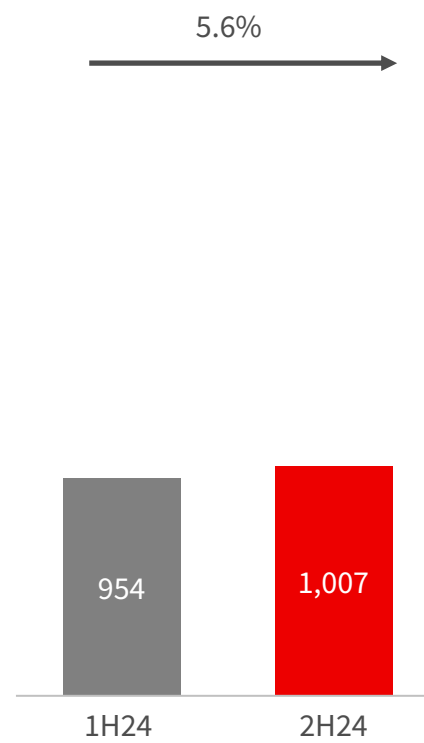
### Business & Private Banking<sup>1</sup>



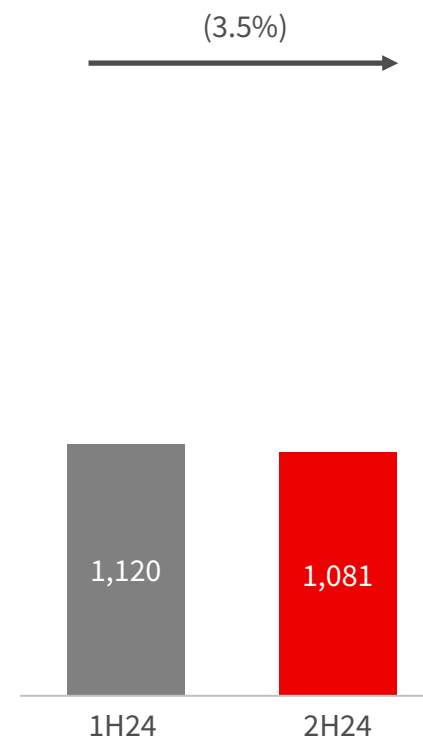
### Corporate & Institutional Banking<sup>2</sup>



### Personal Banking<sup>1</sup>



### New Zealand Banking<sup>2,3</sup>



- (1) During the year ended 30 September 2024, some customer lending and deposit portfolios were transferred between Personal Banking and Business & Private Banking. Comparative information has been restated accordingly
- (2) Corporate & Institutional Banking included the Bank of New Zealand's Markets Trading operations up to 30 September 2023. From 1 October 2023, these operations are reported within New Zealand Banking. Comparative information has been restated accordingly
- (3) New Zealand Banking results in local currency

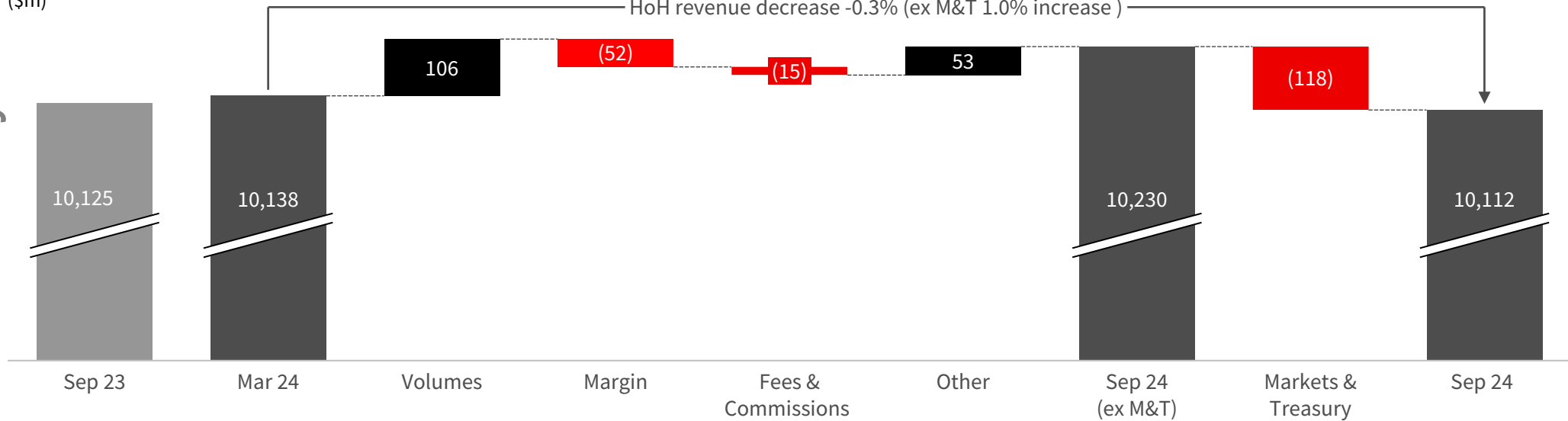
# 2H24 revenue

## Net operating income (HoH)

(\$m)

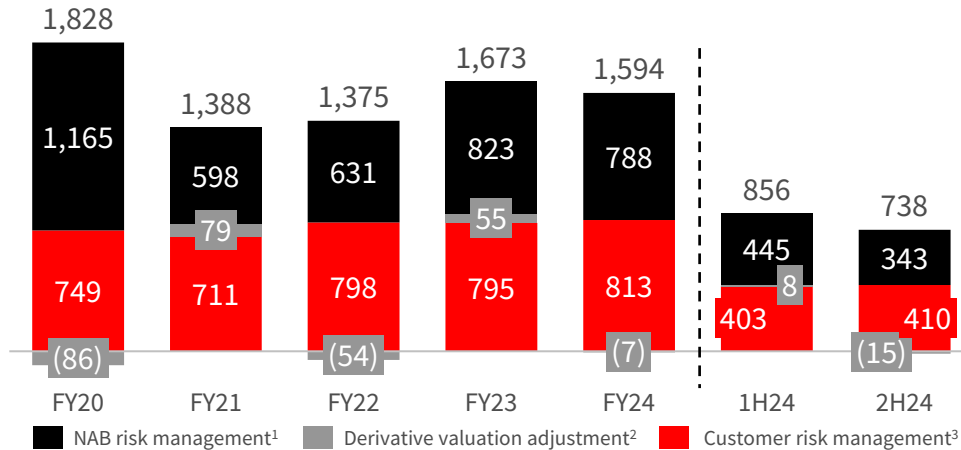
HoH revenue decrease -0.3% (ex M&T 1.0% increase)

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## Markets & Treasury (M&T) income breakdown

(\$m)



## Key revenue drivers HoH

- Business lending volume growth and moderating margin decline
- Fees & Commissions impacted by higher customer-related remediation and headwinds from sale/run-off of businesses
- Other reflects higher earnings from MLC Life and inclusion of FirstCape
- Lower M&T income mainly reflects losses on Treasury bond sales, mark-to-market losses on NZ Treasury bonds

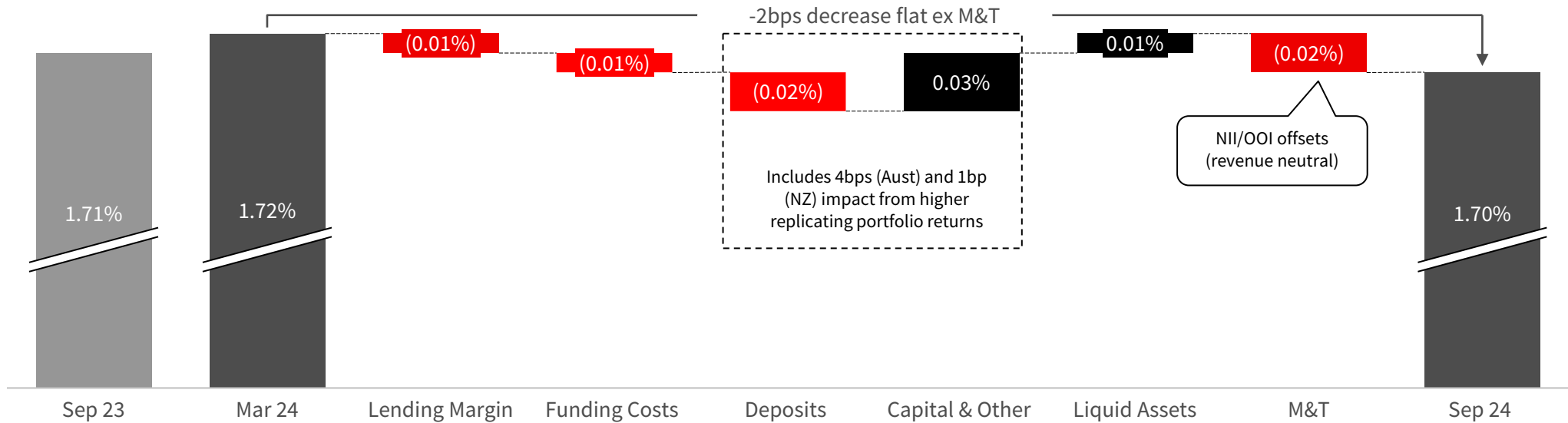
(1) NAB risk management comprises net interest income and other operating income and is defined as management of interest rate risk in the banking book, wholesale funding and liquidity requirements and trading market risk to support the Group's franchises. Markets forms part of Corporate & Institutional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

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

(3) Customer risk management comprises net interest income and other operating income and reflects customer risk management in respect of Personal Banking, Business & Private Banking, Corporate & Institutional Banking and New Zealand Banking

# Net interest margin

## Net interest margin (HoH)



### Key considerations 1H25<sup>1</sup>

- Benefit of higher swap rates on deposit and capital replicating portfolios of ~4bp<sup>2</sup>
- Term Funding Facility (TFF) refinancing impact of ~1bps
- Ongoing headwinds from lending margin and deposits
- Key swing factors including home loan competitive dynamics and 3 month Bills/OIS spread<sup>3</sup>
- Minimal impact from liquids (broadly neutral to revenue)

### Lower interest rate environment considerations

- Outcome subject to several factors including customer behaviour and competitive dynamics which are difficult to predict
- Estimated impact of 25bps RBA cash rate cut on Australian unhedged low rate sensitive deposits of ~1bps annualised<sup>1,4</sup>
- Returns on capital and deposit replicating portfolios impacted by lower 3 & 5 year swap rates over time

(1) Refer to key risks, qualifications and assumptions in relation to forward looking statements on page 136

(2) Based on market implied 3 and 5 year swap rates trajectory as of 30 September 2024 and stable balances for the Australian and New Zealand capital and deposit replicating portfolios respectively

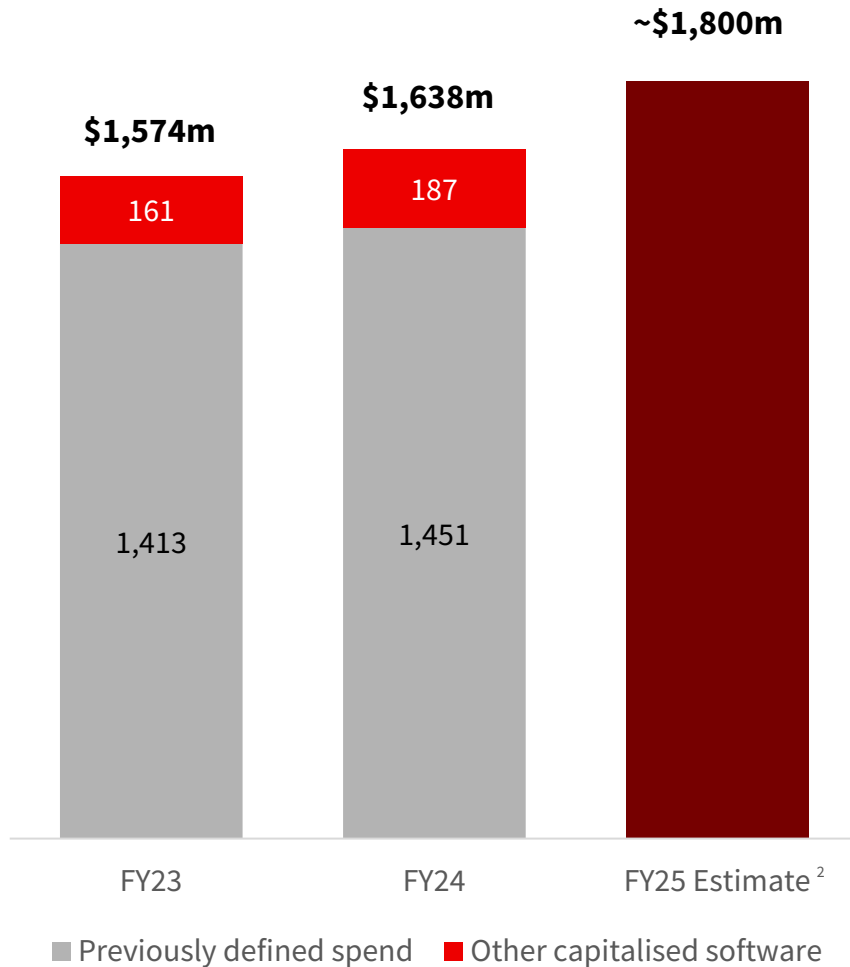
(3) 6bps move in 3 month Bills/OIS equivalent to ~1bps of NIM based on 30 September 2024 rates and balances. Average Bills/OIS of ~4bps in 2H24

(4) Based on Sep 24 volumes and assumes certain pass-through rates on individual deposit products

# Investment spend and productivity

## Re-defining investment spend<sup>1</sup> (\$m)

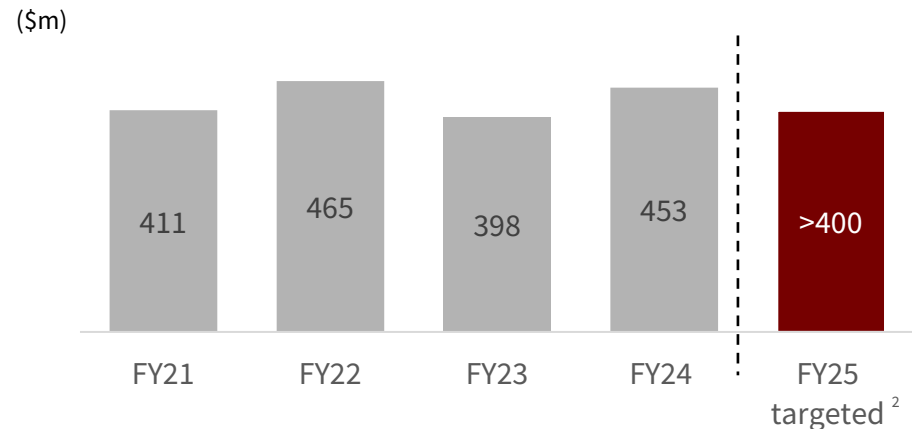
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## FY25 investment spend considerations<sup>2</sup>

- Additional spend to support investment in:
  - A range of existing and new initiatives to drive improved customer advocacy
  - The gradual replacement of complex and ageing technology
- Maintaining cost discipline – ongoing focus on productivity to help provide capacity for further investment

## Cost discipline: delivering consistent productivity

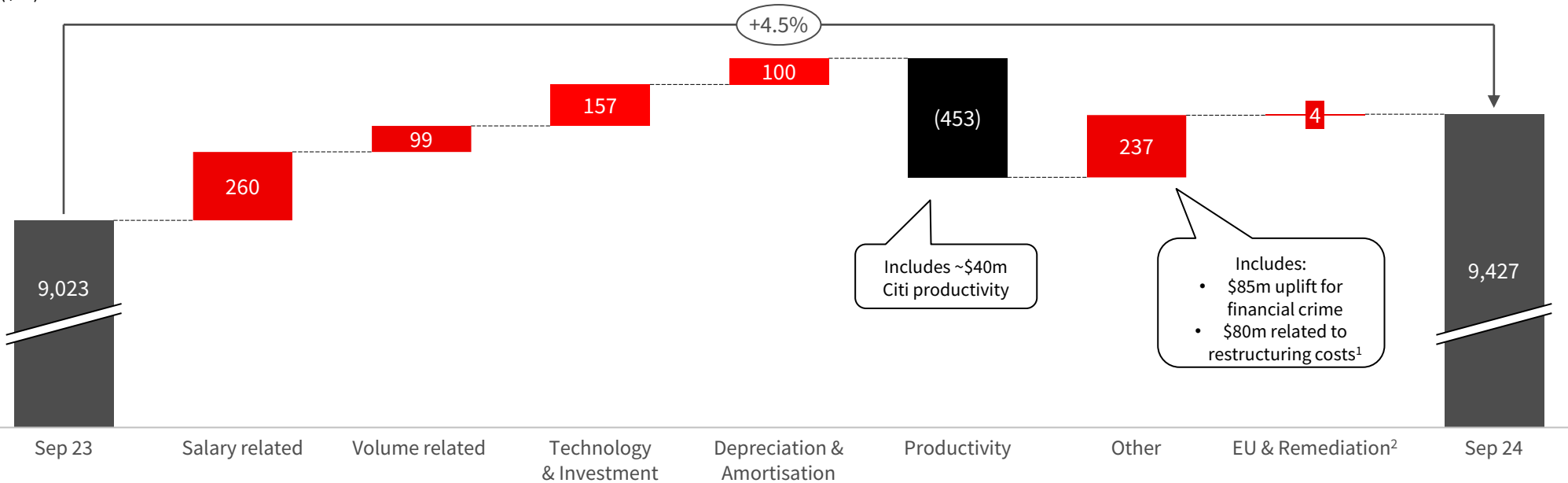


(1) Investment spend was historically limited to expenditure on initiatives designed to enhance the customer experience, comply with legal and regulatory requirements, and improve capabilities and efficiencies in the Group’s business processes. The scope of investment spend has been increased to include amounts in respect of capitalised software that relate to continuous improvement on deployed software and technology resilience. Investment spend excludes acquisition-related capitalised software of \$124m in FY24 (\$101m in FY23) as well as certain capitalised hardware and office fitout costs

(2) Refer to key risks, qualifications and assumptions in relation to forward looking statements on page 136

# Operating expenses

## Operating expenses (YOY) (\$m)



### FY25 considerations<sup>3</sup>

- Opex growth expected to be lower than FY24 growth of 4.5%<sup>4</sup>
  - Salary-related headwinds expected to slow
  - EU-related costs expected to be ~\$20m<sup>5</sup> (from \$89m in FY24)
  - Lower levels of restructuring costs expected
- Ongoing headwinds from Technology & Investment and Depreciation & Amortisation
- Investment spend expected to increase to ~\$1.8bn
- Targeting productivity >\$400m

Investment spend - % opex		
FY23	FY24	FY25 Estimate <sup>3</sup>
41%	38% <sup>6</sup>	~40%

(1) Restructuring costs of \$110m in FY24 (\$30m in FY23)

(2) EU-related costs of \$89m (\$105m in FY23). Customer related remediation \$40m in FY24 (\$20m in FY23)

(3) Refer to key risks, qualifications and assumptions in relation to forward looking statements on page 136

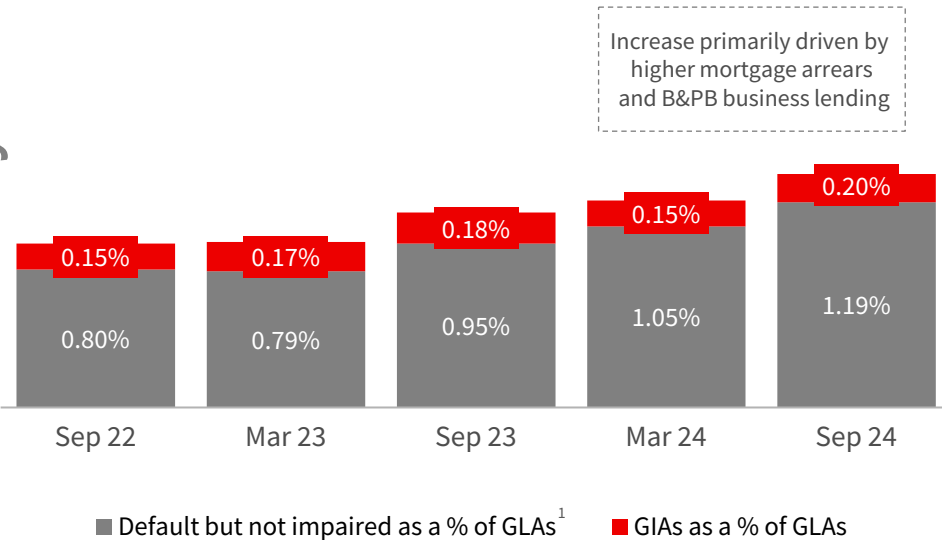
(4) FY25 guidance excluding any large notable items

(5) Assumes AUSTRAC CEO provides consent to the cancelling or withdrawal of the EU following receipt of the final report by the external auditor

(6) Opex ratio based on investment spend as previously defined was 43%

# Asset quality

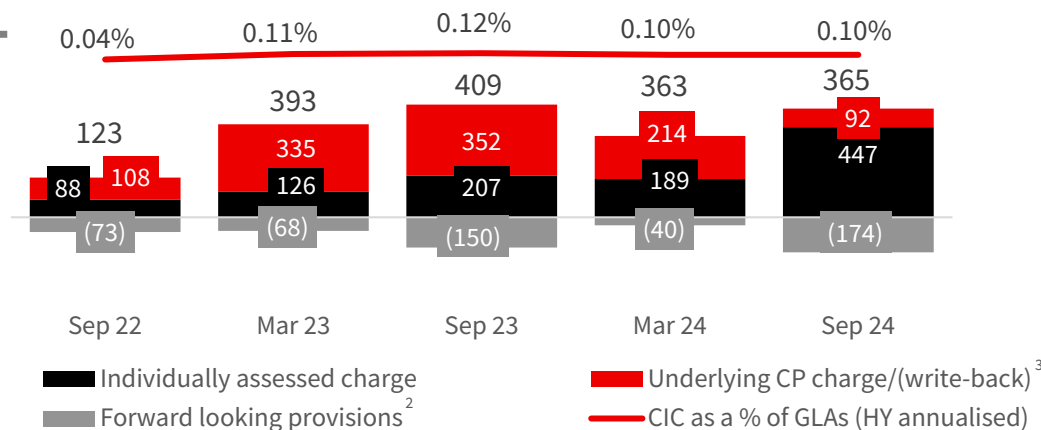
## Non-performing exposures (NPL) as a % of GLAs



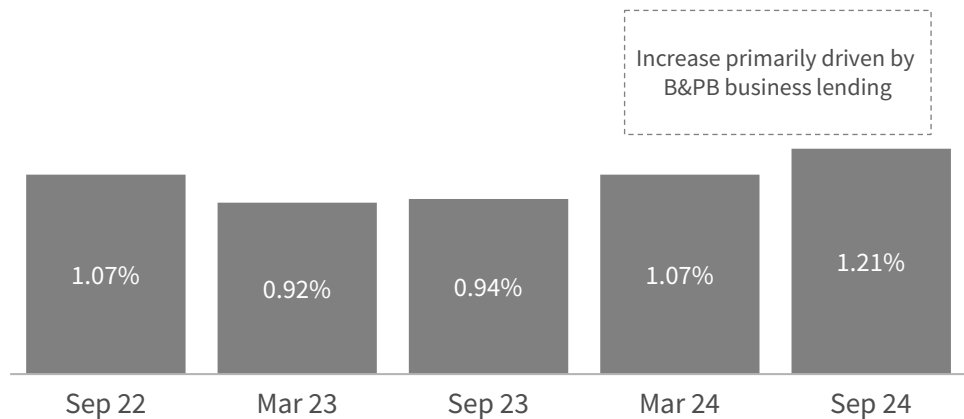
## Key 2H24 impacts

- Recent increase in Gross Impaired Assets (GIAs), but NPLs remain dominated by Default but not impaired
- CIC of \$365m, up \$2m
  - Individually assessed charge of \$447m mainly reflects increased impairments in B&PB business lending including \$135m from a small number of larger customers
  - Underlying collective charge of \$92m reflects asset deterioration partly offset by model changes
  - Net release of forward looking provisions of \$174m including impact of methodology refinements

## Credit impairment charge (CIC)



## Watch loans<sup>4</sup> as a % of GLAs



(1) 'Default but not impaired' includes '90+ DPD but not impaired' assets and 'Default <90 DPD but not impaired' assets aligned to APS 220 Credit Risk Management. Examples of assets included in 'Default <90 DPD but not impaired' include cross defaults for business customers, bankruptcy and customers serving the 90-day probation period before reclassification to performing

(2) Represents collective provision EA and FLAs for targeted sectors

(3) Represents collective credit impairment charge less forward looking provisions

(4) Watch loans are generally triggered by banker referrals or manual downgrades of customer ratings as part of reviews through the year



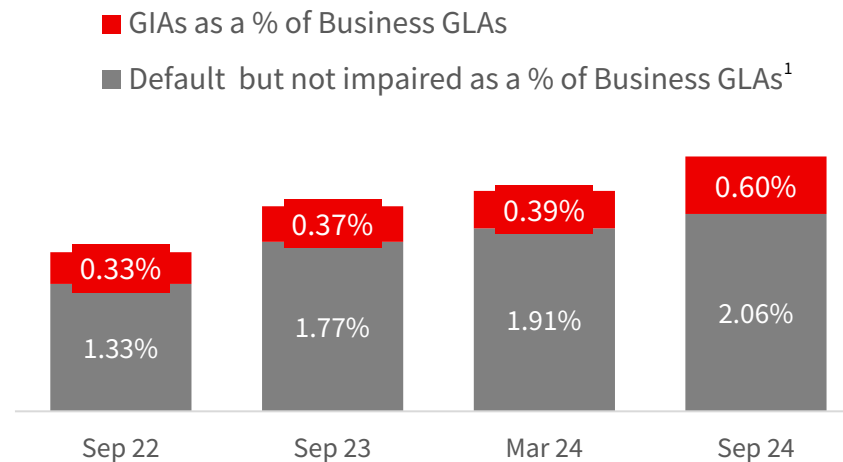
# Business & Private Banking business lending asset quality



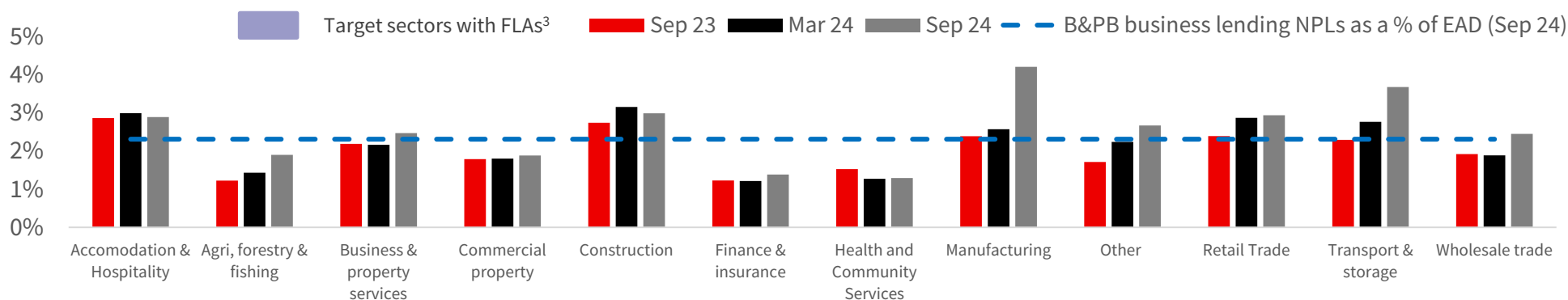
## Key considerations

- Challenging macro environment, broad-based deterioration across industries
- Common thematic of deterioration over recent periods include:
  - Construction, Agri & discretionary spending related industries are over-represented
  - Stress in supply chains (particularly food related) impacting manufacturers, wholesalers, transport, restaurants & pubs
- 2H24 NPL ratios for Manufacturing and Wholesale Trade include the downgrade of a small number of larger customers
- Book remains well diversified and highly secured

## Non-performing exposures (NPLs) as % of GLAs



## Non-performing exposures (NPLs) as % of lending EAD by regulatory industry categories<sup>2</sup>



Industry % of non retail lending EAD	<5%	25%	7%	25%	6%	<5%	5%	6%	<5%	6%	<5%	6%
Target sectors with FLAs <sup>3</sup>	Yes	No	No	Yes	Yes	No	No	No	No	Yes	No	No

(1) 'Default but not impaired' includes '90+ DPD but not impaired' assets and 'Default <90 DPD but not impaired' assets aligned to APS 220 Credit Risk Management. Examples of assets included in 'Default <90 DPD but not impaired' include cross defaults for business customers, bankruptcy and customers serving the 90-day probation period before reclassification to performing

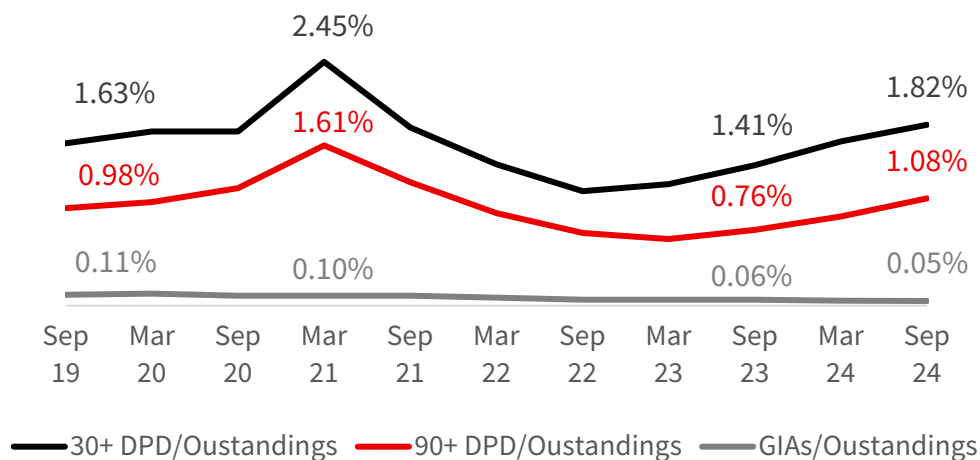
(2) Industry classifications are aligned to those disclosed in the 30 September 2024 Pillar 3 report – Table 5.1D. EAD shown excludes non-lending assets and certain assets supporting the Group LCR

(3) Target sectors with FLAs refers to non-retail sectors with an FLA provision: Retail Trade; Tourism, Hospitality & Entertainment (which includes Accommodation & Hospitality); Construction and CRE

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# Australian housing lending asset quality<sup>1</sup>

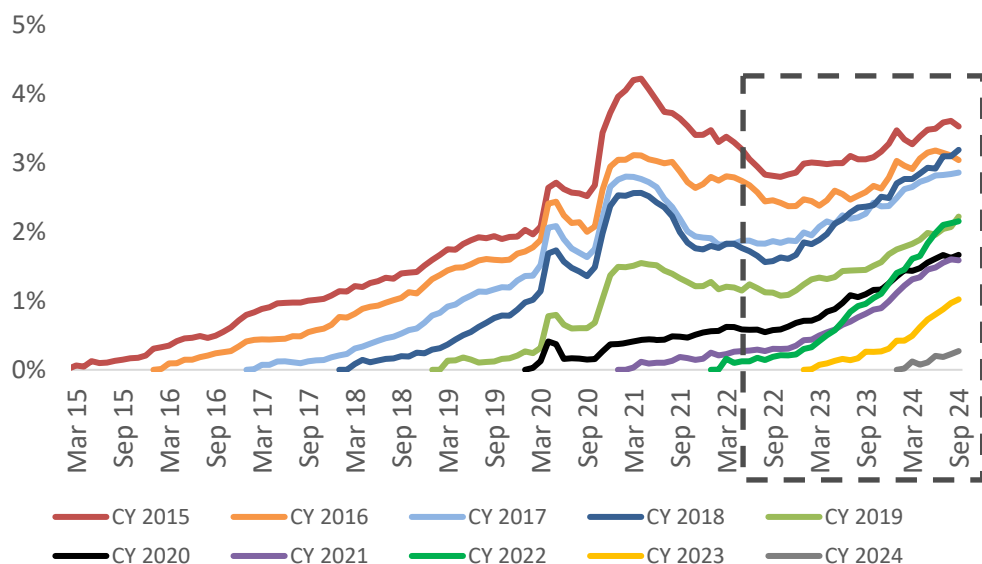
## Arrears increasing as % of GLAs but limited impairment



## Key considerations

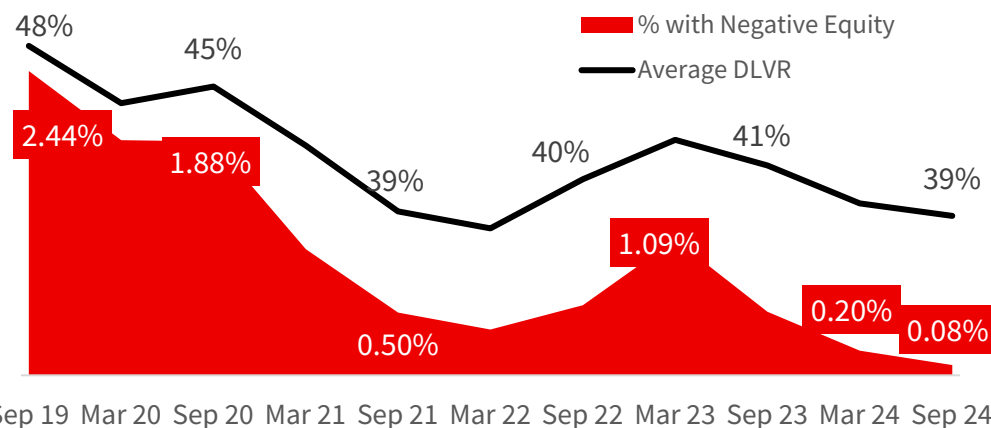
- Arrears continuing to rise, primarily reflecting a challenging economic environment
- While 2H24 deterioration remains broad-based across loan types and vintages, common characteristics of loans with a disproportionate and material contribution include:
  - Customers with higher repayments as % of income and/or lower savings buffers
  - Victoria and to a lesser extent NSW
- Limited impairment: strong security position, national dwelling prices up 2.8% in 2H24
- Unemployment and house prices remain key to outlook

## Deteriorating 30+DPD as a % of GLAs across all vintages



## Higher house prices have improved average DLVR

### Average DLVR and negative equity<sup>2</sup>

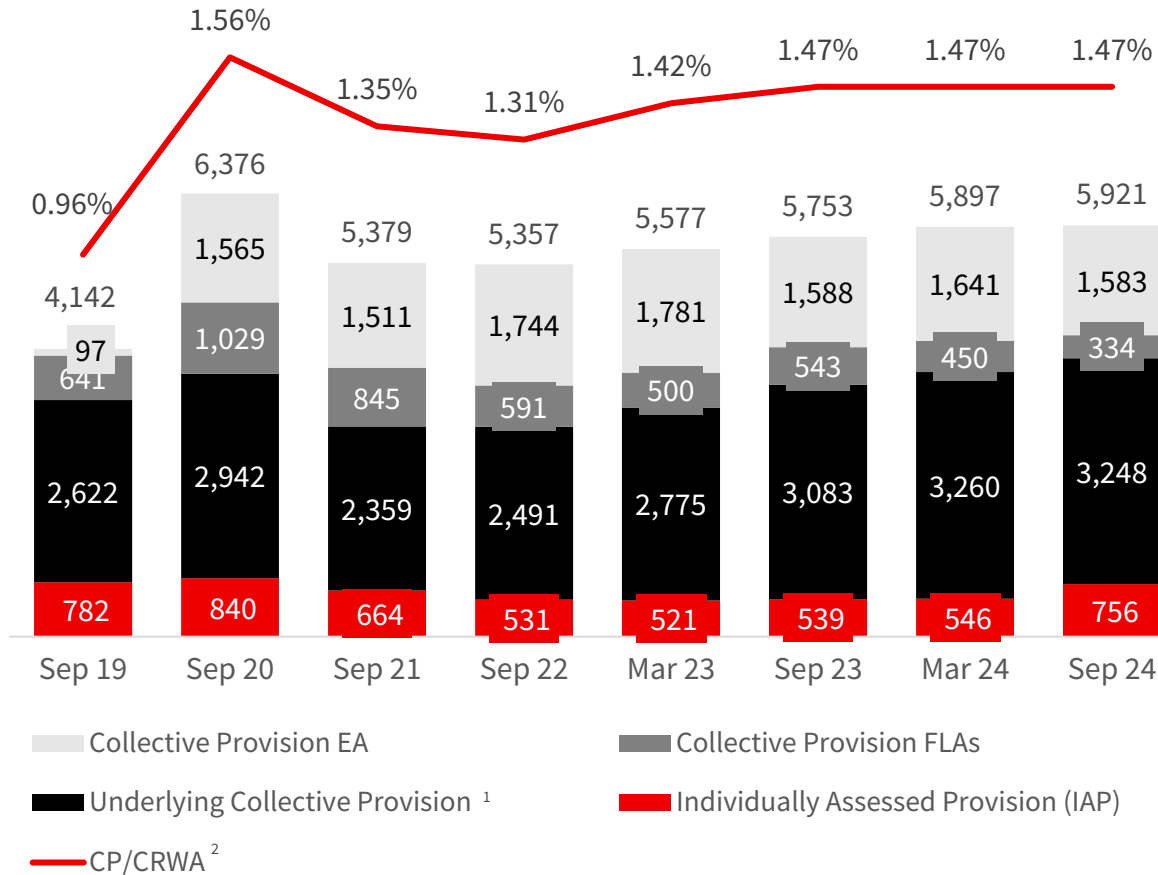


(1) Excludes 86 400 platform. Includes Citi Consumer Business mortgages from Sep 24  
 (2) Excludes the impact of offset accounts. Includes implementation of new CoreLogic indexing methodology in 1H24

# Strong provisioning maintained

Total provision balances higher (\$m)

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## Key considerations

- Total provisions of \$5.9bn represent 1.6x 100% base case scenario (after excluding \$334m in FLA balances from the 100% base scenario)
- CP of \$5.2bn representing 1.47% CRWA
- Deteriorating asset quality in 2H24 evident in higher IAPs; impact on underlying CP has been offset by model changes and CP on derivatives no longer being included
- \$174m reduction in forward looking provisions since Mar 24 reflecting increasing stress in actual outcomes
- Economic Adjustment (EA) includes the impact of methodology refinements combined with a decrease of 2.5% in the downside scenario weight; little change to economic assumptions
- Net release of FLAs relating to Australian Mortgages, Construction and discretionary spend related industries
- Maintaining strong forward looking provisions reflecting uncertainty over ability of customers to manage high interest rates and inflationary pressures combined with global instability

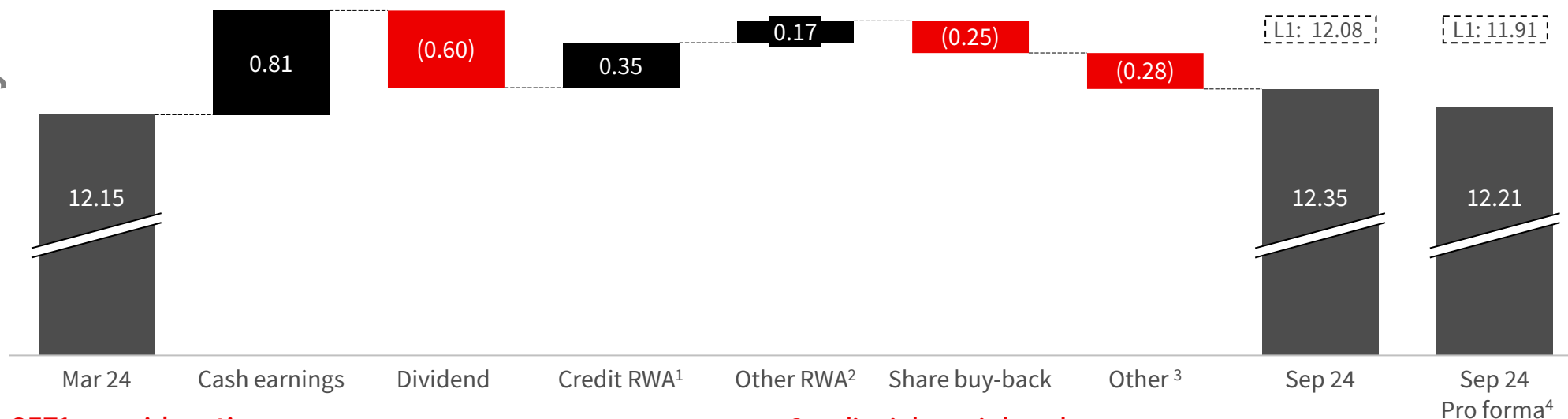
(1) Underlying collective provision for Mar 24 and prior figures includes amounts for collective provisions on derivatives at fair value  
 (2) Mar 23 and beyond reported under APRA's revised capital framework effective from 1 January 2023

# Capital remains above target range

## Group Basel III CET1 capital ratio

(%)

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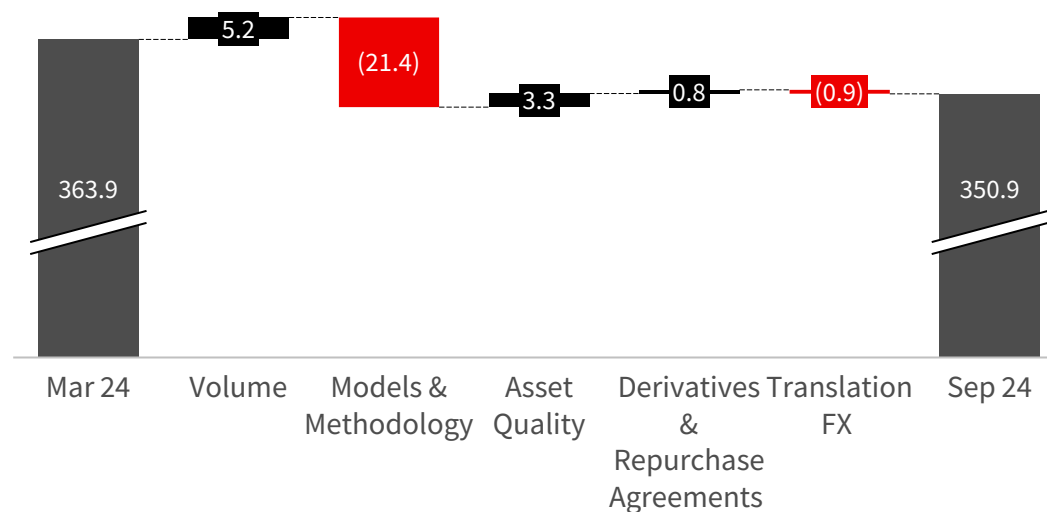


### CET1 considerations

- CET1 target range of 11.0% – 11.5%
- Higher RWA from lending growth and asset quality deterioration more than offset by updated credit models and methodologies
- Dividend payout ratio guided by a range of 65% – 75% of cash earnings, subject to Board determination based on circumstances at the relevant time
- As at 30 Sep 24, NAB has completed \$2.4bn of the current announced \$3bn share buy-back

### Credit risk-weighted assets

(\$bn)



(1) Excludes FX translation

(2) Primarily IRRBB RWA. Refer to slide 106

(3) Other capital movements relate to equity exposures, capitalised software, capitalised expenses, deferred tax assets, reserves and other miscellaneous items

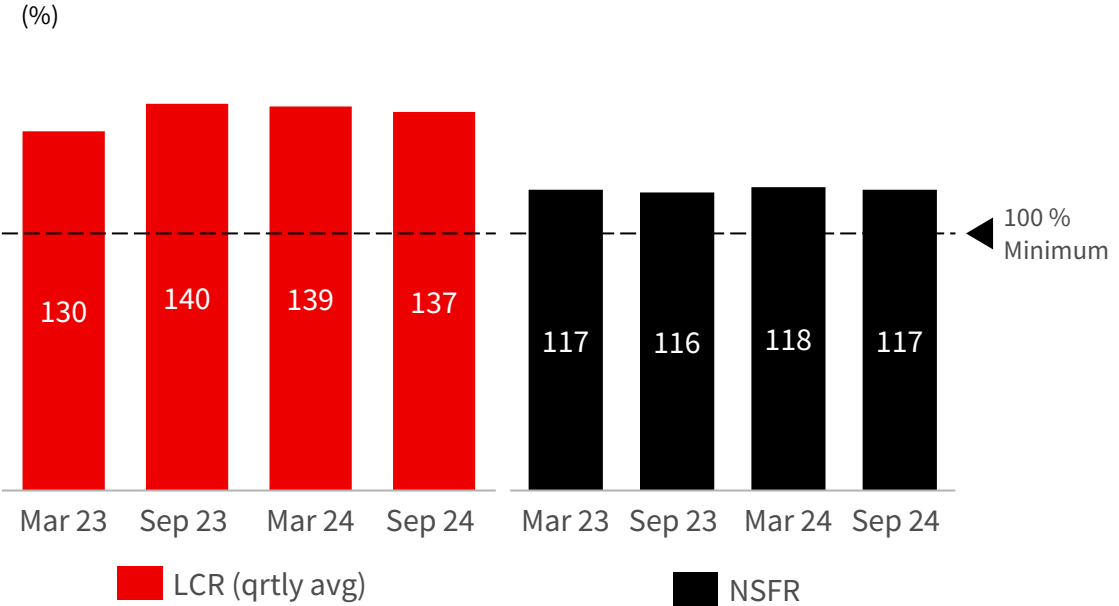
(4) Pro forma CET1 ratio reflects the \$0.6bn balance of shares expected to be acquired under the on-market share buy-back (-14bps at Level 2 and -17bps at Level 1)

# Strong funding and liquidity metrics

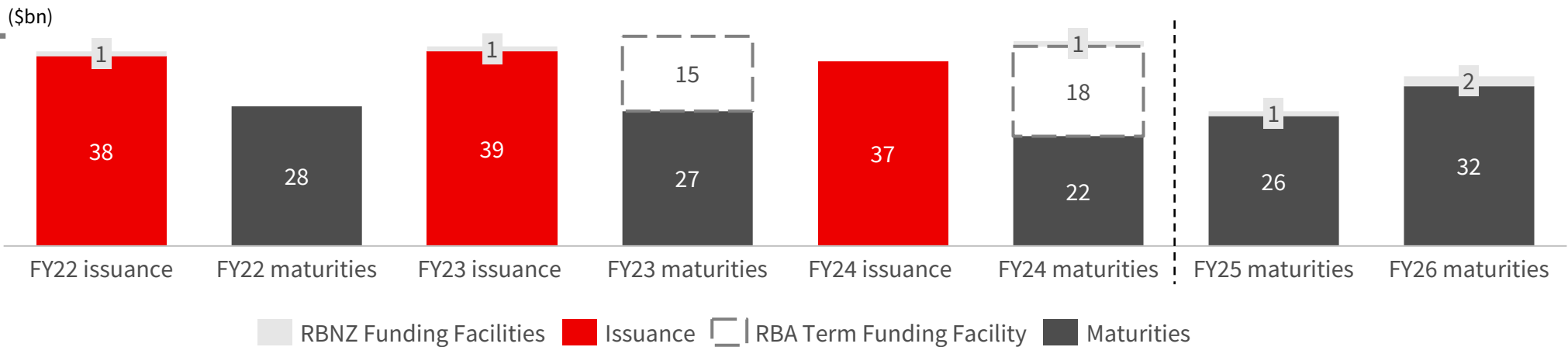
## Key messages

- Maintained strong funding and liquidity position with LCR and NSFR well above regulatory minimums
- Final tranches of the TFF repaid in 3Q24
- Term funding issuance diversified across product, currency and tenor to support balance sheet structure
- Term funding issuance in FY25 expected to be broadly in line with prior years

## Liquidity position well above regulatory minimums



## Term funding issuance<sup>1</sup> & maturity profile<sup>2</sup>



(1) 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  
 (2) Maturity profile of funding with an original term to maturity greater than 12 months, excludes AT1 and RMBS. Spot FX rate at 30 September 2024

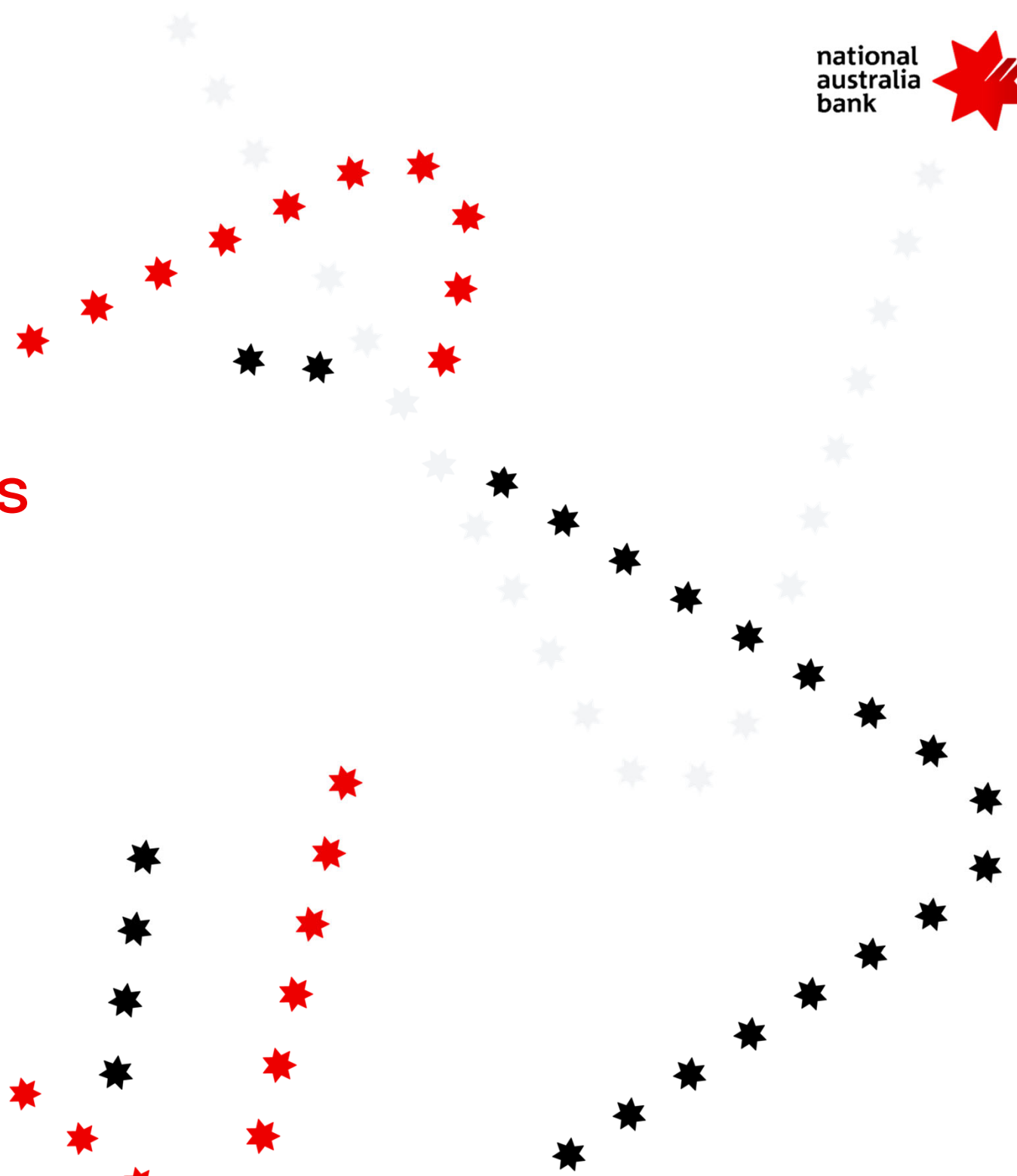
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# Closing comments

**Andrew Irvine**

Chief Executive Officer

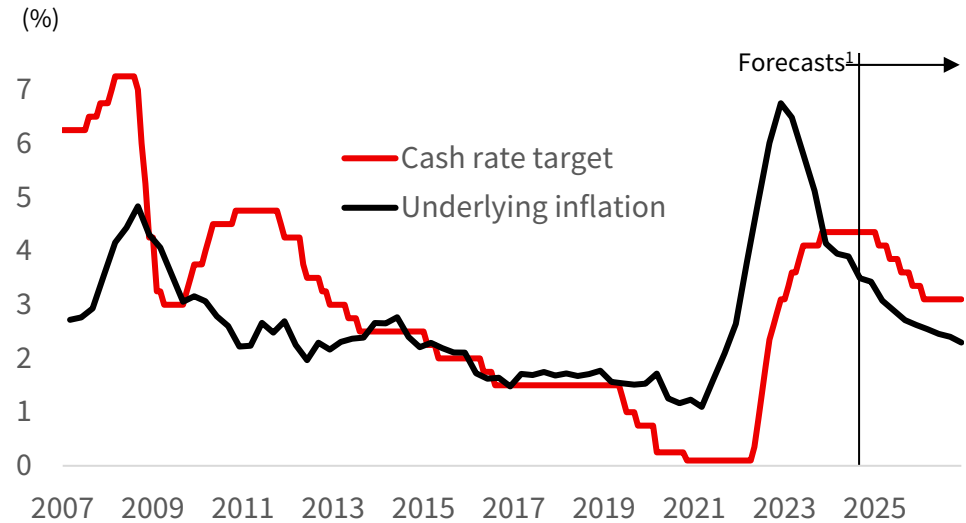


# Australian economy on track for soft landing

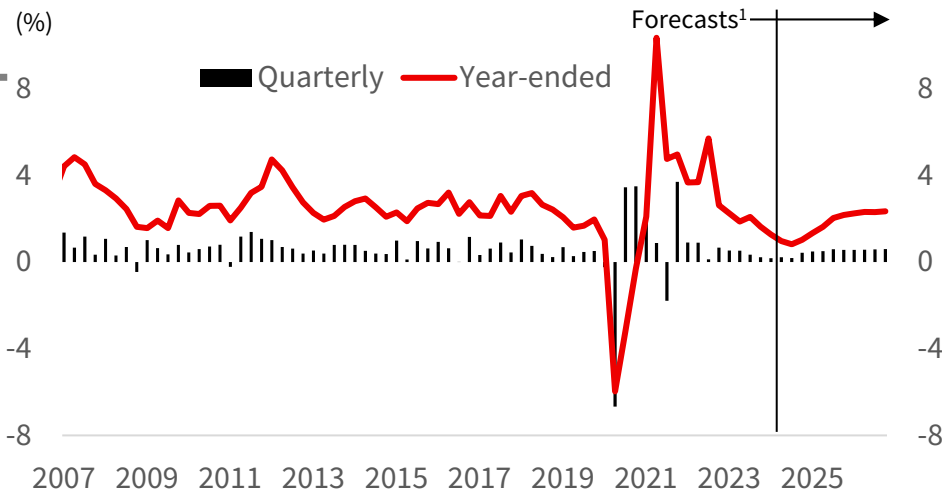
## Economic growth slowed in 2024 but expected to recover in 2025 and 2026<sup>1</sup>

- Cash rate cuts expected to commence from February 2025 with gradual easing to 3.10% by early 2026
- Labour market remains resilient with record high participation
- Consumer remains key to the growth outlook – household incomes expected to improve over 2025
- Geopolitical risks remain elevated

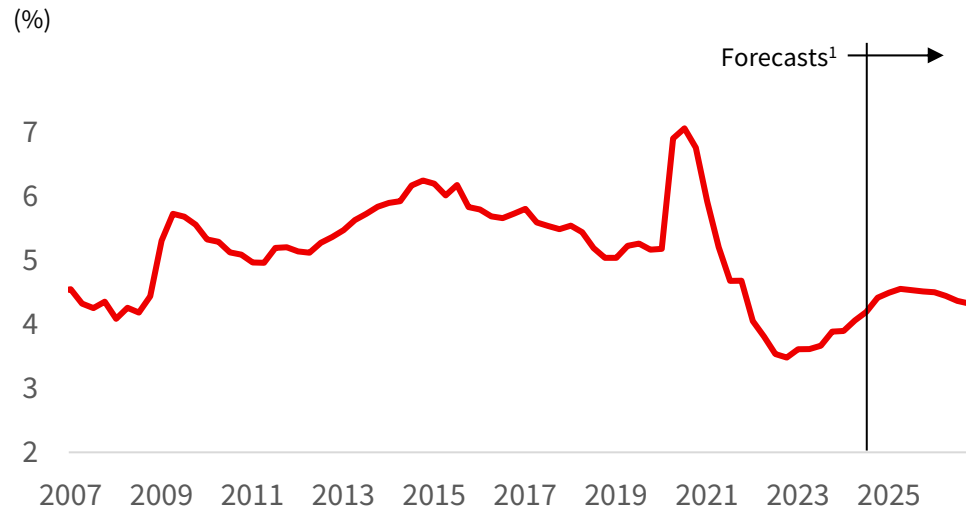
## Cash rate expected to fall as inflation continues to moderate<sup>2</sup>



## GDP growth<sup>3</sup>



## Unemployment rate<sup>4</sup>



(1) Refer to key risks, qualifications and assumptions in relation to forward looking statements on page 136  
 (2) Source: ABS, NAB, RBA. Actual data to Sep 24, NAB forecasts to Dec 26  
 (3) Source: ABS, NAB. Actual data to June quarter 2024, NAB forecasts to December quarter 2026  
 (4) Source: ABS, NAB. Actual data to June quarter 2024, NAB forecasts to December quarter 2026

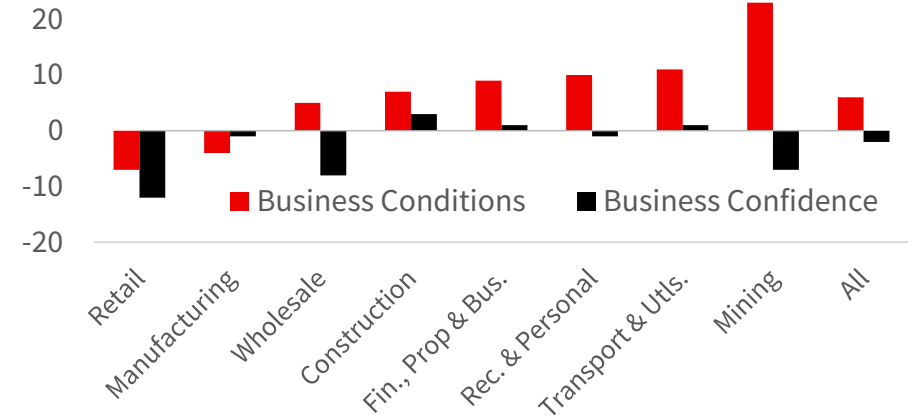
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# Businesses under pressure but resilient

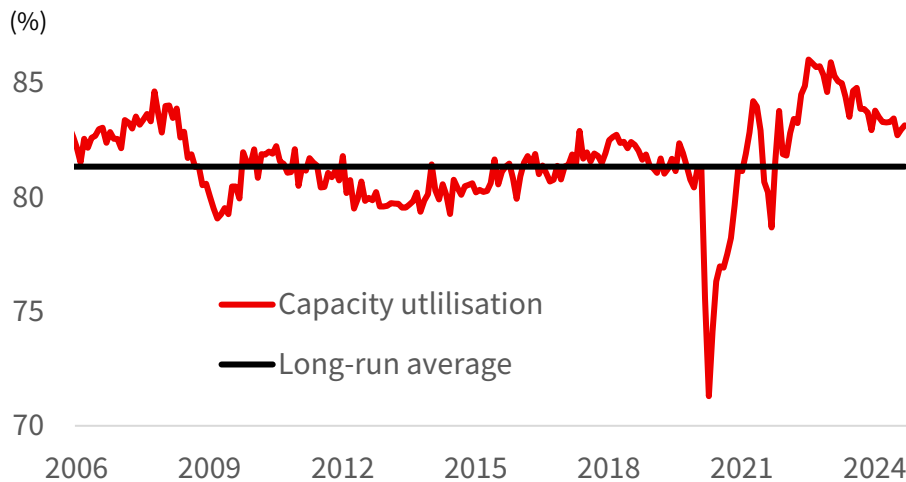
## Business conditions

- Business conditions have softened over 2024 but stabilising around long-run average; weakest in goods sectors
- Continued easing in labour and input cost growth but margins remain under pressure
- Business activity resilient with capacity utilisation still above average, supporting strong investment
- Consumer demand supported by population growth has been key
- Business credit growth has remained strong at 7.5% in 2024 but expected to moderate to ~5% in 2025<sup>1</sup>

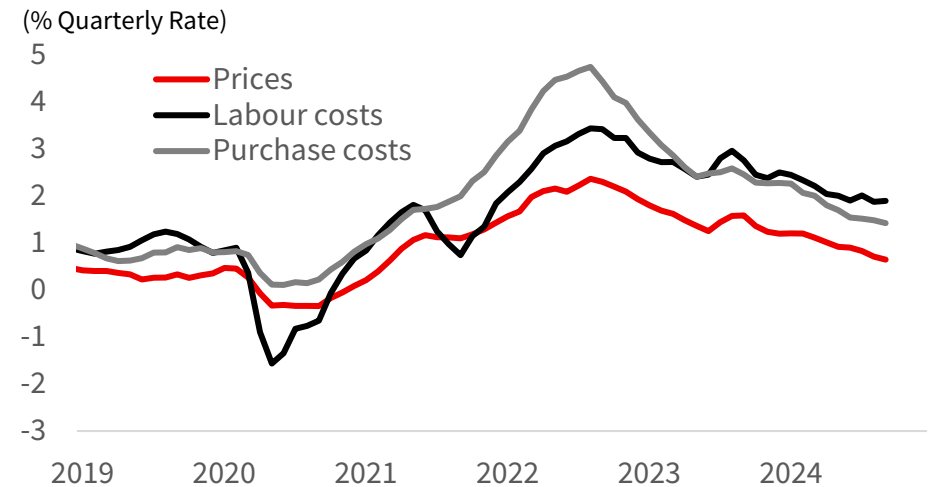
## Conditions around the long run average; confidence remains soft and weakest in retail and wholesale<sup>2</sup>



## Capacity utilisation is above average<sup>3</sup>



## Cost pressures have eased but less ability to pass on price increases<sup>3</sup>



(1) Refer to key risks, qualifications and assumptions in relation to forward looking statements on page 136

(2) Source: NAB Economics. Three-month average of net balance for confidence and conditions by industry from the NAB Monthly Business Survey as at Sep 24

(3) Source: NAB Economics. Three-month moving average of all industry measures from the NAB Monthly Business Survey. Data to September 2024



# Key priorities in FY25 aligned to our refreshed strategy

- Reinforce execution disciplines to drive improved customer advocacy, greater speed and simplification
- Continued momentum in business banking, improve proprietary lending and deposit franchises
- Retain balance sheet strength and prudent risk settings through the cycle
- Support our customers in a challenging environment
- Maintain a disciplined approach to managing costs with a focus on productivity to provide headroom for investment
- Prioritise completion of major projects including AUSTRAC Enforceable Undertaking<sup>1</sup> and migration of Citi Consumer Business to new platform

(1) External auditor for the AUSTRAC EU to provide a final report to NAB for the period to 31 March 2025. AUSTRAC EU will end on the date that the AUSTRAC CEO provides written consent to the cancelling or withdrawal of the EU. (refer to page 39)

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# Additional Group Information

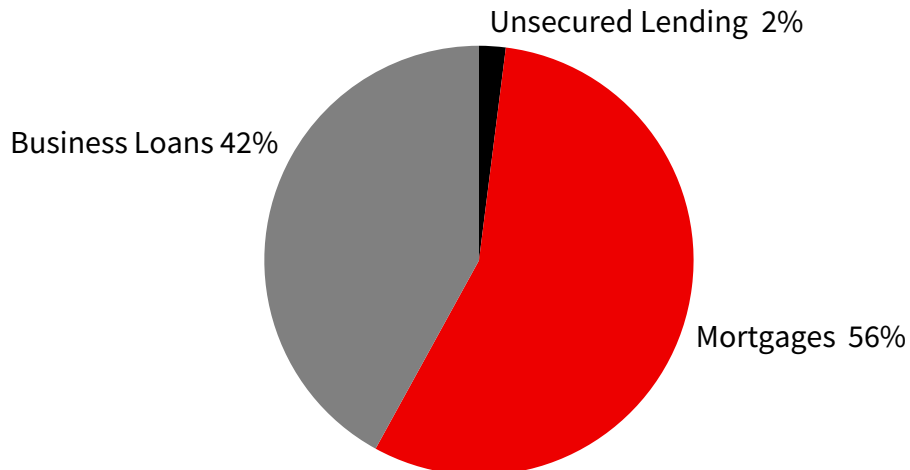


# NAB at a glance

Cash earnings divisional splits	% of Cash earnings <sup>1</sup>
Business & Private Banking	46%
Personal Banking	16%
Corporate & Institutional Banking	25%
New Zealand Banking	19%
Corporate Functions & Other	(6%)
Cash earnings	100%

Key financial data	FY24
Cash earnings <sup>1</sup>	\$7,102m
Cash ROE	11.6%
Gross loans & acceptances (GLAs)	\$738.2bn
Customer deposits	\$612.8bn
Gross impaired assets to GLAs	0.20%
Default but not impaired assets to GLAs	1.19%
CET1 (APRA)	12.35%
NSFR (APRA)	117%
Australian market share <sup>2</sup>	As at Sep 24
Business lending	21.3%
Housing lending	14.3%
Cards	27.5%
Key non-financial data	FY24
# FTE (continuing operations)	38,996
# Branches / Business centres	611

## Gross loans & acceptances split



Credit Ratings NAB Ltd LT/ST	S&P AA-/A-1+ (Stable)	Moody's Aa2/P-1 (Stable)	Fitch AA-/F1+ (Stable)
---------------------------------	--------------------------	-----------------------------	---------------------------

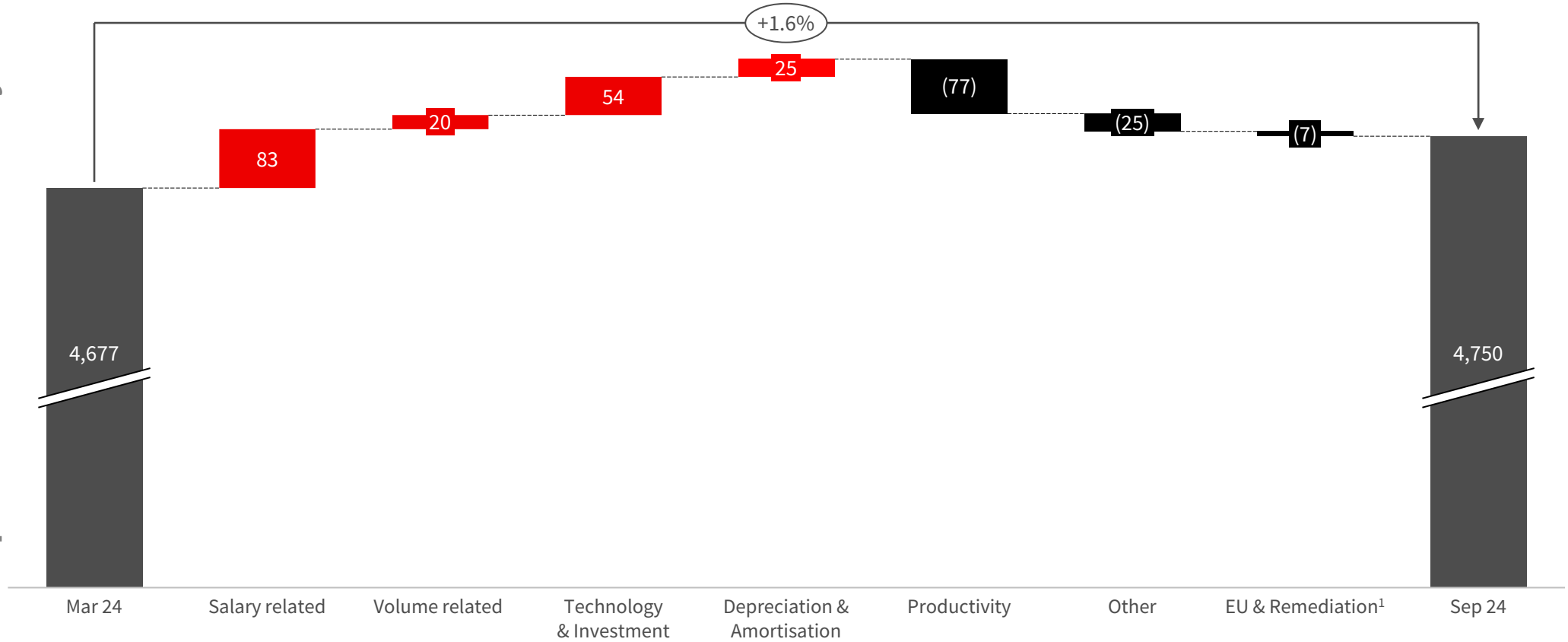
(1) Refer to page 40 for definition of cash earnings and reconciliation to statutory profit

(2) APRA Monthly Authorised Deposit-taking Institution statistics. Latest data as at Sep 24. Business lending excludes Government and Financial Institution

# Operating expenses

Operating expenses (HOH)  
(\$m)

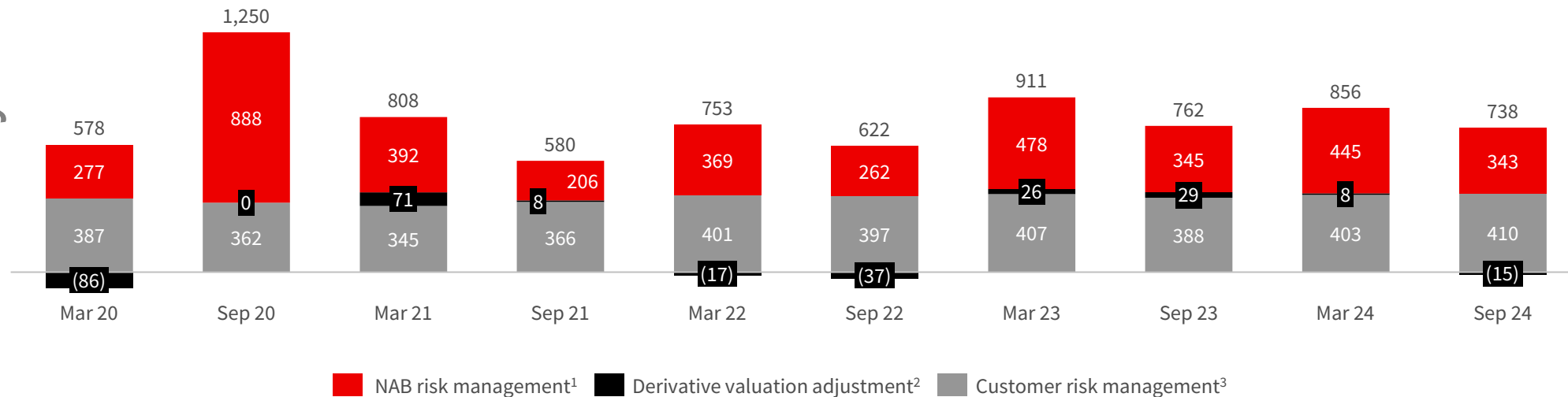
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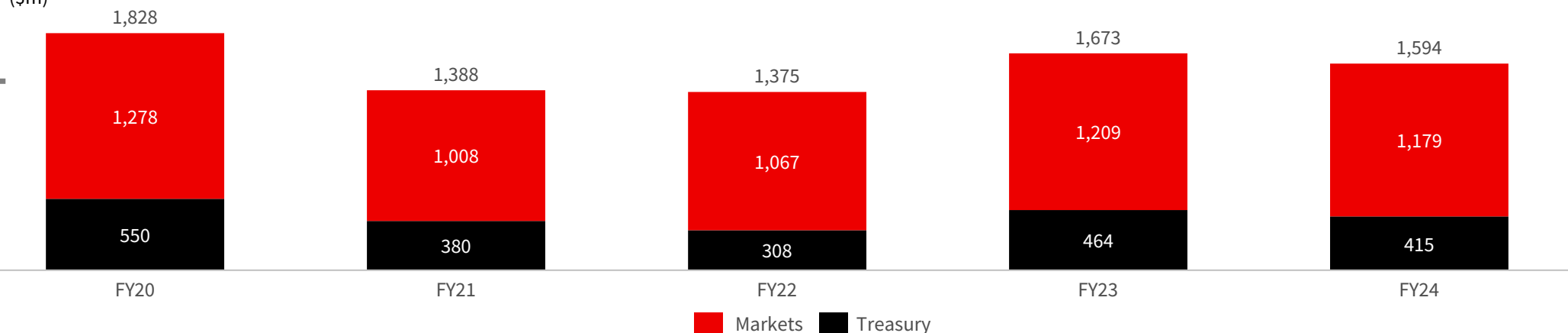
(1) EU-related costs of \$41m (\$48m in 1H24). Customer related remediation \$20m in 2H24 (\$20m in 1H24)

# Markets & Treasury income

## Markets & Treasury income breakdown (\$m)



## Historical Markets & Treasury income (\$m)



(1) NAB risk management comprises 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 & Institutional Banking and New Zealand Banking revenue. Treasury forms part of Corporate Functions and Other revenue

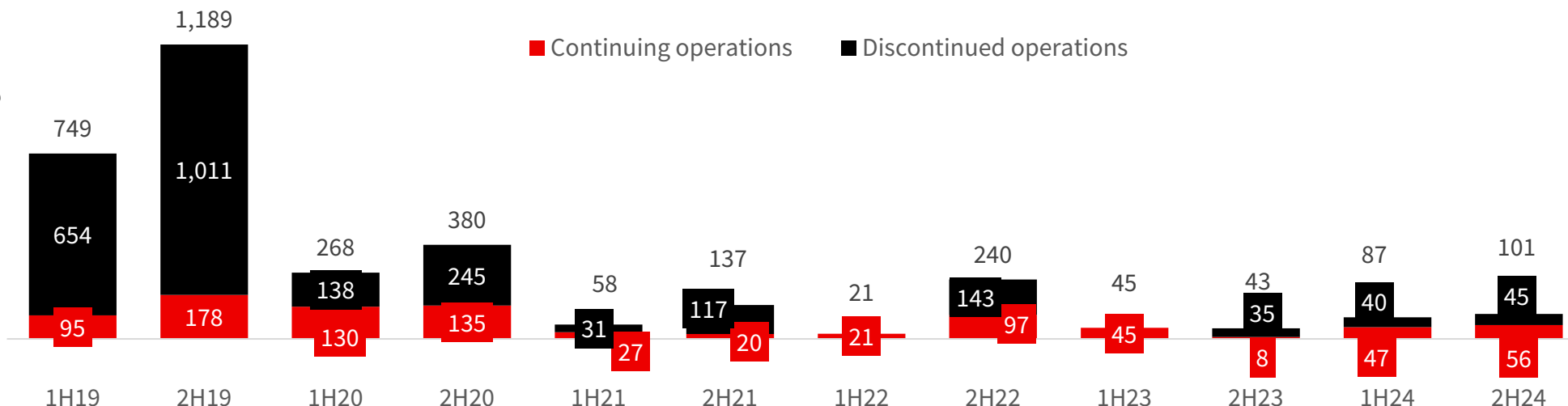
(2) Derivative valuation adjustment is shown net of hedging costs or benefits and includes credit valuation adjustments and funding valuation adjustments

(3) Customer risk management comprises net interest income and other operating income and reflects customer risk management in respect of Personal Banking, Business & Private Banking, Corporate & Institutional Banking and New Zealand Banking

# Customer-related remediation

## Customer-related remediation provision charges<sup>1</sup>

(\$m)

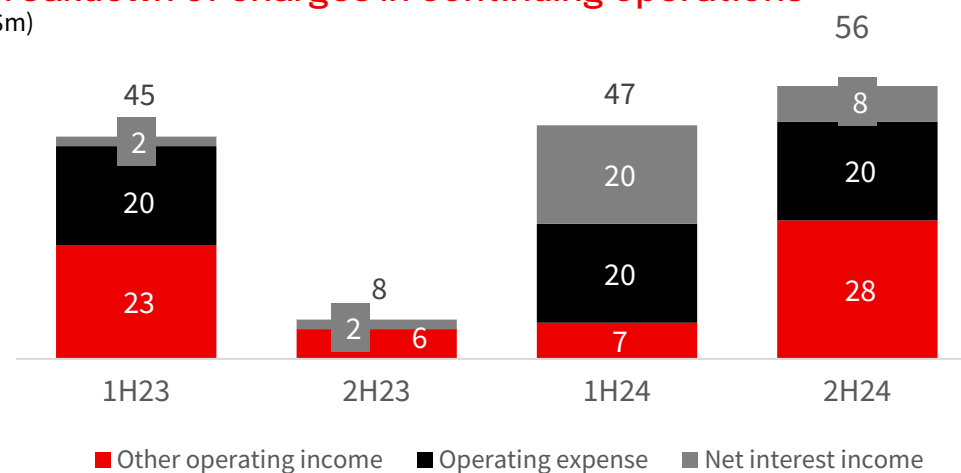


## Customer remediation

- NAB Wealth remediation residual activities continue, following the regulatory completion of major programs
- JBWere remediation for Adviser Service Fee and review for inappropriate advice continues

## Breakdown of charges in continuing operations

(\$m)



(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

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# 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 September 2024

- An external auditor was appointed in May 2022 and continues to report to NAB and AUSTRAC periodically
- NAB has completed the delivery of its required activities under the RAP (some of which are yet to be reviewed by the external auditor)
- NAB continues to work closely with AUSTRAC and the external auditor on the EU
- NAB continues to oversee the EU through dedicated EU Governance forums
- Estimated costs of ~\$20m for FY25<sup>1,2</sup>. This is in addition to:
  - \$103m in FY22
  - \$105m in FY23
  - \$89m in FY24

(1) Assumes AUSTRAC CEO provides consent to the cancelling or withdrawal of the EU following receipt of the final report by the external auditor

(2) Refer to key risks, qualifications and assumptions in relation to forward looking statements on page 136

# Group cash earnings reconciliation to statutory net profit

- NAB uses cash earnings (rather than statutory net profit attributable to owners of the Company) for its internal management reporting purposes and considers it a better reflection of the Group's underlying performance. Accordingly, information is presented on a cash earnings basis unless otherwise stated
- Cash earnings is not a statutory financial measure and is not presented in accordance with Australian Accounting Standards nor audited or reviewed in accordance with Australian Auditing Standards. Cash earnings is calculated by excluding discontinued operations and certain other items which are included within the statutory net profit attributable to owners of the Company. These non-cash earning items, and a reconciliation to statutory net profit attributable to owners of the Company, are presented in the table below
- The definition of cash earnings is set out on page 10 of the 2024 Full Year Results Management Discussion and Analysis, and a discussion of non-cash earnings items and a full reconciliation of the cash earnings to statutory net profit attributable to owners of the Company is set out on pages 74-75 of the same document. The Group's financial statements, prepared in accordance with the Corporations Act 2001 (Cth) and Australian Accounting Standards, and audited by the auditors in accordance with Australian Auditing Standards, are set out in the 2024 Annual Report

	<b>FY24</b>	<b>FY23</b>	FY24 v FY23	<b>2H24</b>	<b>1H24</b>	2H24 v
	<b>(\$m)</b>	<b>(\$m)</b>	(\$m)	<b>(\$m)</b>	<b>(\$m)</b>	1H24
						(\$m)
<b>Cash earnings</b>	<b>7,102</b>	<b>7,731</b>	(629)	<b>3,554</b>	<b>3,548</b>	6
Non-cash earnings items (after tax):						
Hedging and fair value volatility	(6)	(29)	23	(20)	14	(34)
Amortisation of acquired intangible assets	(29)	(30)	1	(14)	(15)	1
Acquisition, disposals and business closures	(4)	(207)	203	(1)	(3)	2
<b>Net profit attributable to owners of the Company from continuing operations</b>	<b>7,063</b>	<b>7,465</b>	(402)	<b>3,519</b>	<b>3,544</b>	(25)
Net loss attributable to owners of the Company from discontinued operations	(103)	(51)	(52)	(53)	(50)	(3)
<b>Statutory net profit</b>	<b>6,960</b>	<b>7,414</b>	(454)	<b>3,466</b>	<b>3,494</b>	(28)



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# Digital transformation, Technology and Innovation



**Ambition** Enabling best in class banking experiences for our customers and colleagues through safe, simple and modern technology

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<b>Outcomes delivered</b> (FY18 to FY24)	<b>Improved customer &amp; colleague experiences</b>	<b>De-risk bank and protect customers</b>	<b>Build resilience</b>	<b>Accurate, available data &amp; analytics</b>
	<ul style="list-style-type: none"> <li>• 22 to 1 call centre systems</li> <li>• 11 to 5 fraud management systems</li> <li>• 3 to 1 collections systems</li> <li>• 31 customer documents systems decommissioned</li> <li>• 75+ capabilities consolidated into nabOne banker portal</li> </ul>	<ul style="list-style-type: none"> <li>• Enhanced customer protections through phishing, scam and identify features</li> <li>• Reduced time to detect, respond to, and contain cyber threats</li> <li>• 42% increase in NIST score<sup>1</sup> – improving capability to protect customers</li> </ul>	<ul style="list-style-type: none"> <li>• 84% of apps migrated to cloud</li> <li>• 82% reduction in critical and high incidents</li> <li>• Insourced 3<sup>rd</sup> party technology capability (~70% external to 38% external)<sup>2</sup></li> <li>• Scaled NAB workforce in India and Vietnam centres to provide access to critical technology skills</li> </ul>	<ul style="list-style-type: none"> <li>• New data platform, enabling foundations for Customer Brain and Gen AI</li> <li>• Legacy data assets decommissioned</li> <li>• ~1,000 software engineers using AI enhanced tools for coding</li> </ul>

**FY25+**

Modernising technology is a continuous, long-term journey. Tech modernisation includes:

- The gradual elimination of complex and ageing technology
- Re-shaping the overall architecture to be a more digital bank
- Simplification of products, policies and processes
- Adopting a long-term, platform mindset

Key objectives of tech modernisation

- 1** Customer Advocacy
- 2** Simple and Fast
- 3** Safe and Resilient

(1) The NIST (National Institute of Standards and Technology) Cybersecurity Framework provides guidance for how organisations can assess and improve their ability to prevent, detect, and respond to cyber attacks  
 (2) Includes insourced technology capability and the reduction of third-party consultants and external workforce

# Customer Brain

Using data and AI to better understand customers and drive more personalised experiences



## Business & Private Bank

Strengthen NAB's business banking position



## Personal Bank

Deepen product experiences, engagement and recognition

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### Colleagues

Increasing speed to market and reducing operational cost

### Customers

Timely, relevant and personalised conversations - driving improvement in customer engagement

Business lending onboarding	Customer Data Refresh	Home lending banker leads	Supporting customers through disputes
<p>Helping customers set up automated loan payments, so they don't fall behind</p> <p>The Brain helps customers set up their first loan repayments and automate future payments, resulting in high customer engagement</p>	<p>Keeping customer details up-to-date to help ensure AML/CTF compliance and reduces reliance on more costly channels</p> <p>The Brain has enabled more than 1.2m customers to update their details through a fully digital experience</p>	<p>Using what we know about our customers, we automatically match them with a NAB banker</p> <p>The Brain has driven an increase in customer appointments booked with proprietary home lenders, +59% uplift in FY24</p>	<p>Customers who have a transaction dispute want to be kept informed of progress</p> <p>The Brain provides proactive updates to give customers greater visibility over their ongoing transaction dispute to improve NPS and reduce call volume</p>

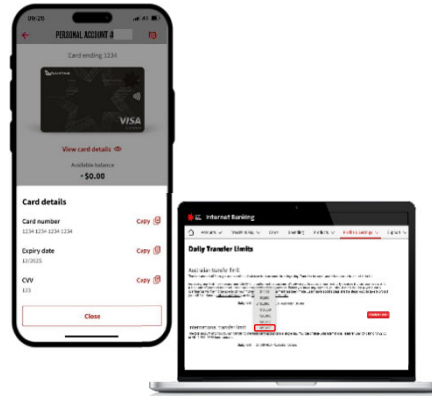
The Brain is connected into channels that represent >75% of customer interactions, allowing us to regularly connect with customers at scale

# Investing in our digital banking channels

Mobile app and internet banking supporting Retail and SME customers

## NAB Mobile app

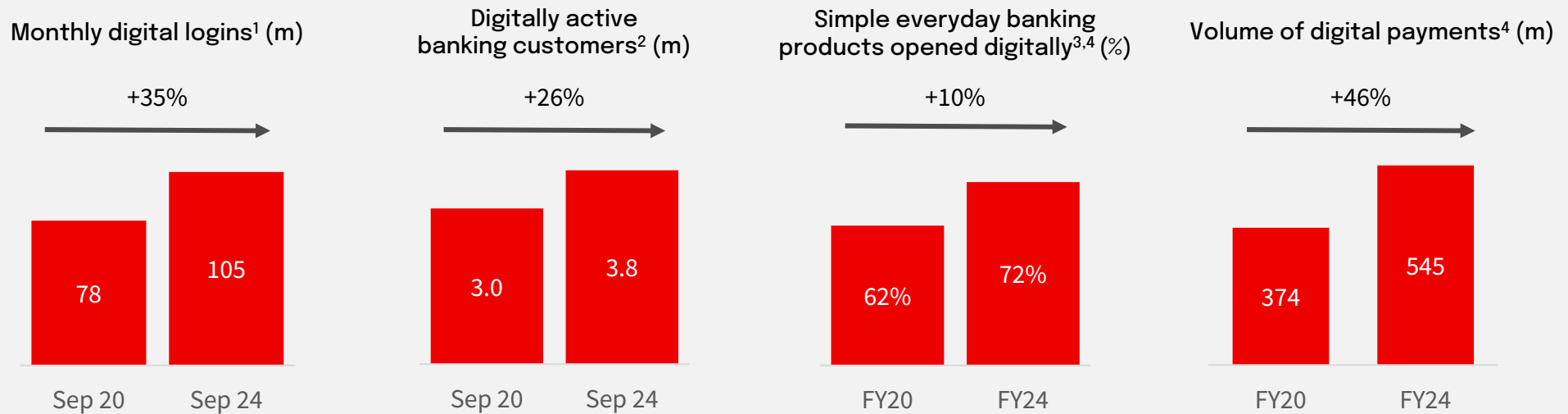
- Quick and simple registration and login
- Fast, secure digital payments
- Digital card for seamless online purchases
- Payments messaging to prevent scams
- AI-driven money management tools
- Personalised app experience
- Rewards for everyday banking transactions



## NAB Internet Banking

- Modernised technology for faster customer experiences
- Improved search for better visibility and efficiency
- Enhanced transaction management and categorisation
- Real-time fraud checks on domestic payments
- Increased daily payment limits for greater flexibility
- Update statement preferences with ease
- Integrated access to NAB Bookkeeper

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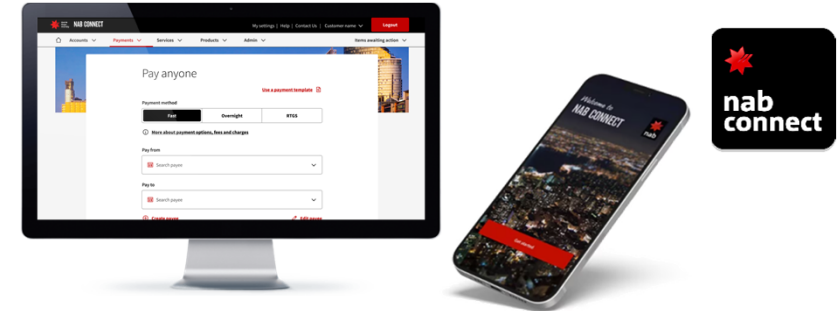


(1) Total number of secure logins to the NAB app or Internet Banking in the month  
 (2) Data excludes Citi Consumer Business  
 (3) Transaction, Savings, Credit Cards, NAB Now Pay Later and Personal Loan products  
 (4) Full year basis

# Manage business banking from anywhere

NAB Connect supporting B&PB<sup>1</sup> and C&IB customers

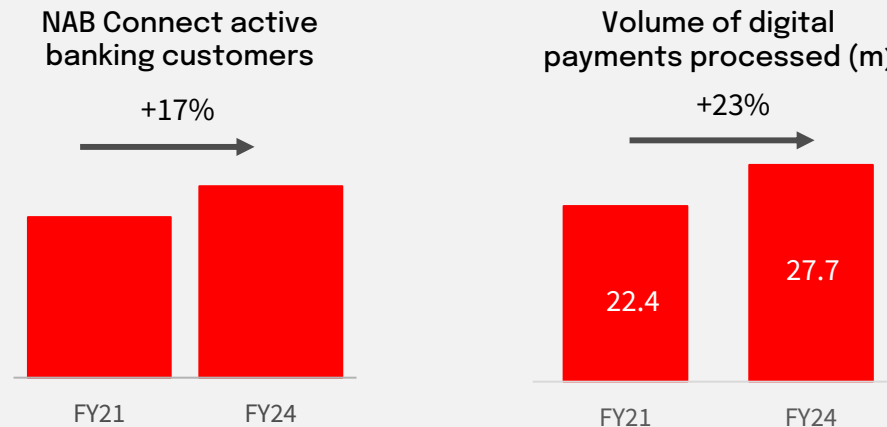
- Customers can access the platform when needed with +99% service availability
- Clients can customise NAB Connect to their business needs through self and assisted service functions
- In-built fraud controls such as configurable payment approval rules, multifactor authentication and suspicious payment alerts to give business customers the tools to safely make and receive payments
- Highly flexible payment rules allowing NAB Connect customers to configure payment approvals to meet their specific business needs
- Integrated with back-office accounting packages and systems allowing customers to automate processes
- A consolidated view for institutional customers with an unlimited number of accounts
- Simplified NAB Connect onboarding process for large businesses enabling easier access to our digital channels
- Access to NAB specialist products and services including Corporate Cards Self Service, FX deals and Trade Finance Online



FY24 capabilities delivered:

- Enhanced fraud controls
- Improved customer experience for transferring between linked accounts
- Continued investment in channel technology resilience and uptime
- Built and migrated corporate card capability as part of Citi migration

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**\$5.15tn payments processed through NAB Connect in FY24**

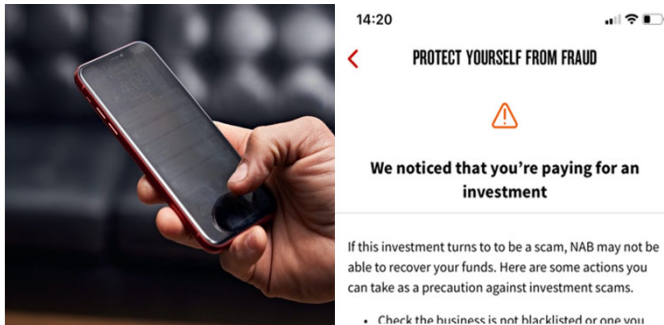
(1) Excludes small business customers with less complex needs who are serviced by NAB Mobile app and NAB Internet Banking  
 (2) 2024 Coalition Greenwich (formerly known as Peter Lee Associates) Large Corporate & Institutional Transaction Banking Survey, Australia. Ranking against the four major domestic banks

# Investing to protect customers against scams and fraud



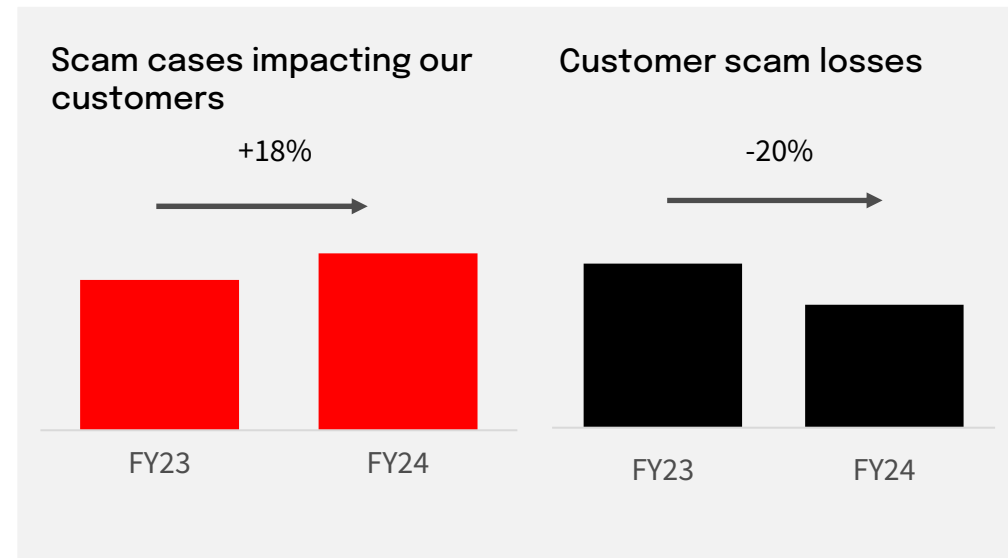
## FY24 investment and initiatives

- >100 FTE added to our **investigations and fraud team**, now totalling >570 FTE
- Real-time customer **payment alerts expanded to additional scam typologies** (e.g. invoice and romance)
- Ongoing refinement of biometrics technology use (BioCatch) to increase detection of suspicious behaviour, including in NAB Connect
- Ongoing customer education and story-sharing, including The Big Scam Education Conversation which saw >7,000 customers and non-customers join
- Continue to collaborate with industry, e.g. launch of Safe Accord, and partner with government agencies



## Key outcomes

- **1.4m real-time customer payment alerts** sent with >\$170m in payments subsequently abandoned in FY24
- **Blocks on certain high risk cryptocurrency platforms** resulted in >\$35m in payments blocked in FY24
- **Prevented and recovered >\$280m in scam losses** for customers since Sep 21



# Innovating with NAB Ventures

NAB's venture capital arm that makes investments to promote strategic priorities

## The NAB Ventures team:

Works alongside other parts of the bank to incubate and test innovative new customer propositions and leverage new developments in technology

22

Investments Managed

1

New investment in FY24

5

Follow-on investments in FY24

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### Innovation themes

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

### New investment in FY24

**Series A - May 24**

Institutional-grade crypto custody solution that enables institutions to navigate the crypto asset space. Zodia Custody brings together global custody expertise, bank grade security and leading-edge technological innovation to provide custody services on 40+ digital assets.

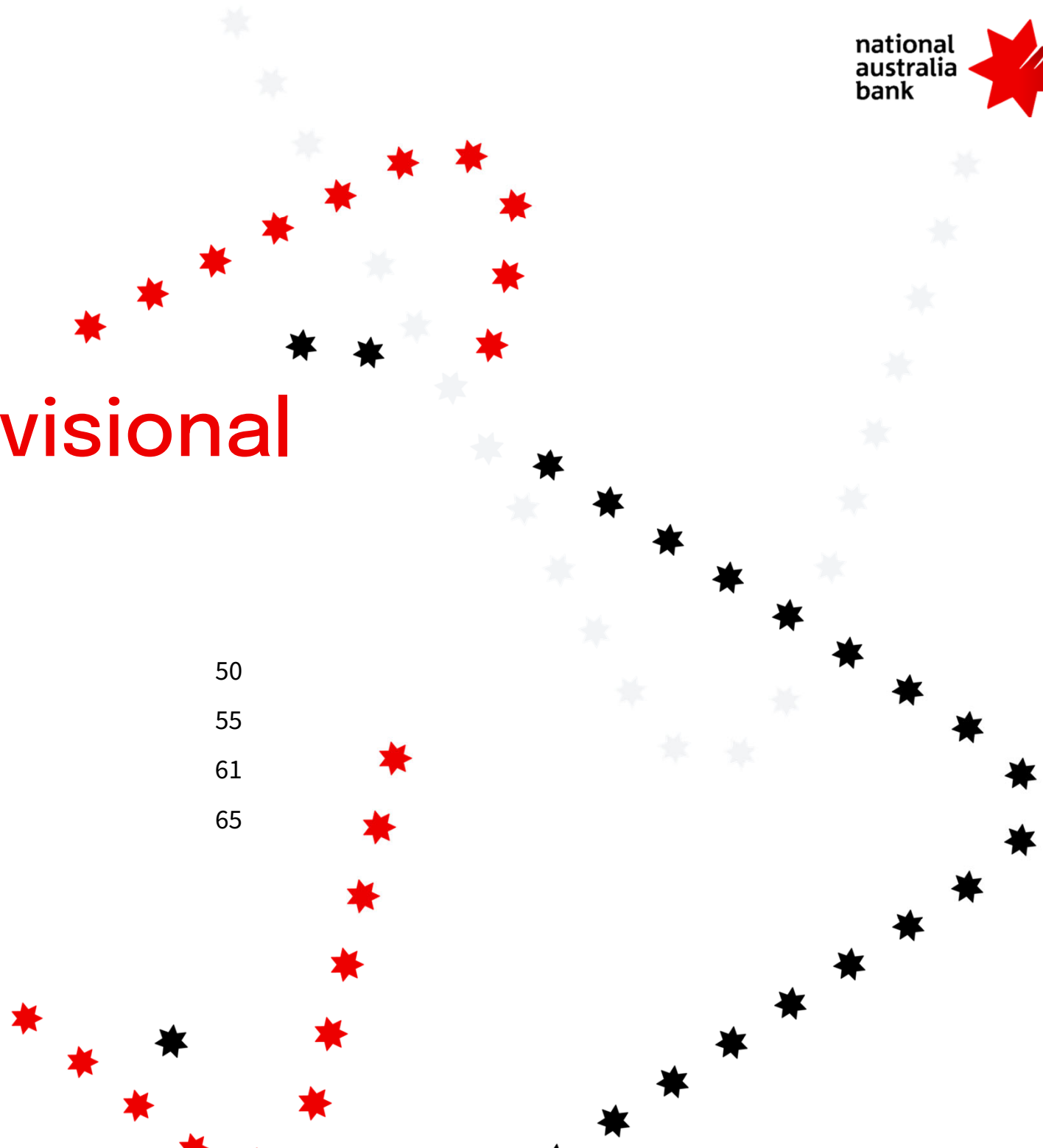
### Follow-on investments in FY24

- Banked :** Develops a global cloud-based payments network to streamline payments for consumers, businesses and banks – improving payment security and efficiency
- Provides revenue-based and term loan financing to technology companies
- Helps property professionals find, assess and design property development sites in Australia, analyse the feasibility and potential returns, generate building designs and assess compliance with the development approval process
- Enables organisations to access trusted and highly skilled security researchers to identify bugs and security vulnerabilities, reduce and mitigate previously unknown risks and protect their organisation
- Provides a cloud-based treasury management platform powered by wholesale banking APIs that enables large businesses to track and manage their financial position in real-time across multiple banks, currencies, countries and asset classes

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# Additional Divisional Information

- Business & Private Banking 50
- Personal Banking 55
- Corporate & Institutional Banking 61
- New Zealand Banking 65





# Divisional contributions

Divisional cash earnings <sup>1</sup>	FY24 (\$m)	FY24 v FY23	2H24 (\$m)	2H24 v 1H24
Business & Private Banking <sup>2</sup>	3,257	0.0%	1,611	(2.1%)
Personal Banking <sup>2</sup>	1,174	(19.6%)	618	11.2%
Corporate & Institutional Banking <sup>3,4</sup>	1,772	(3.7%)	873	(2.9%)
New Zealand Banking <sup>3,5</sup>	1,444	(4.6%)	694	(7.5%)

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(1) Refer to page 40 for definition of cash earnings and reconciliation to statutory net profit

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

(3) Corporate & Institutional Banking included the Bank of New Zealand's Markets Trading operations up to 30 September 2023. From 1 October 2023, these operations are reported within New Zealand Banking. Comparative information has been restated accordingly

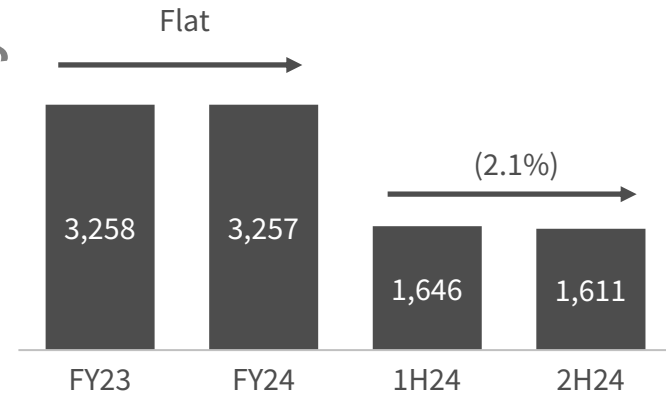
(4) Figures include impact of wind down of NAB Asset Servicing business over approximately three years from Nov 22

(5) New Zealand Banking results in local currency

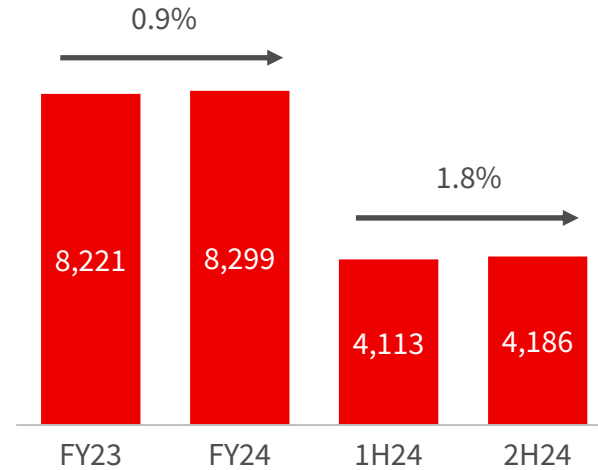
# Business & Private Banking<sup>1</sup>

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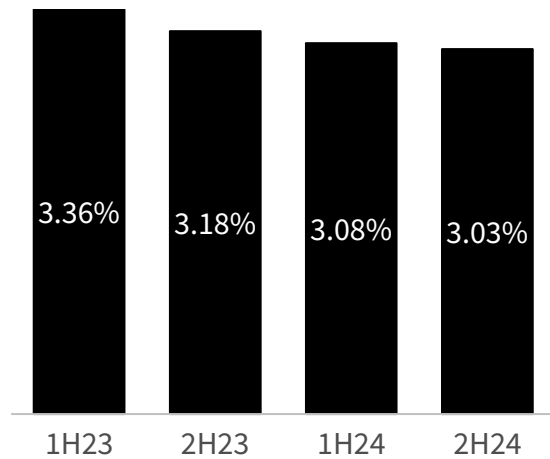
**Cash earnings**  
(\$m)



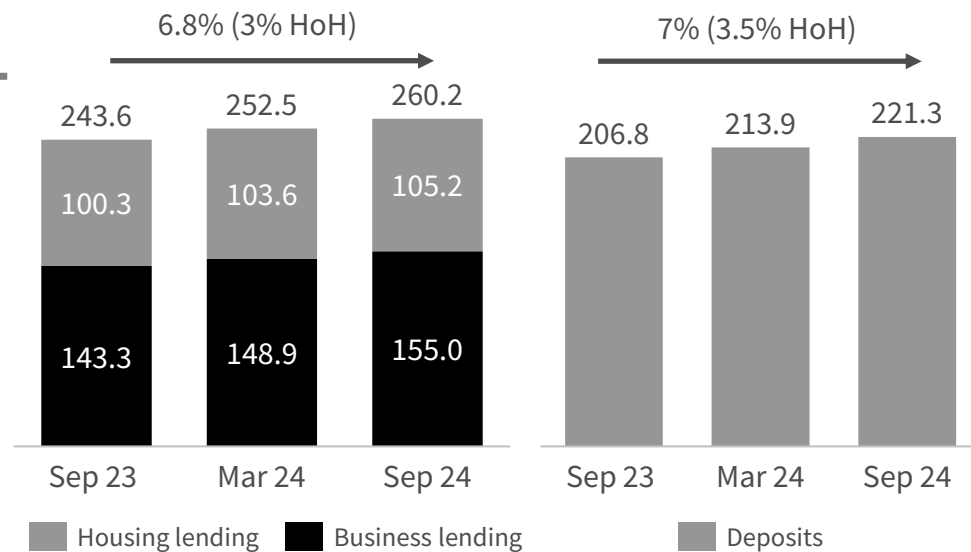
**Revenue**  
(\$m)



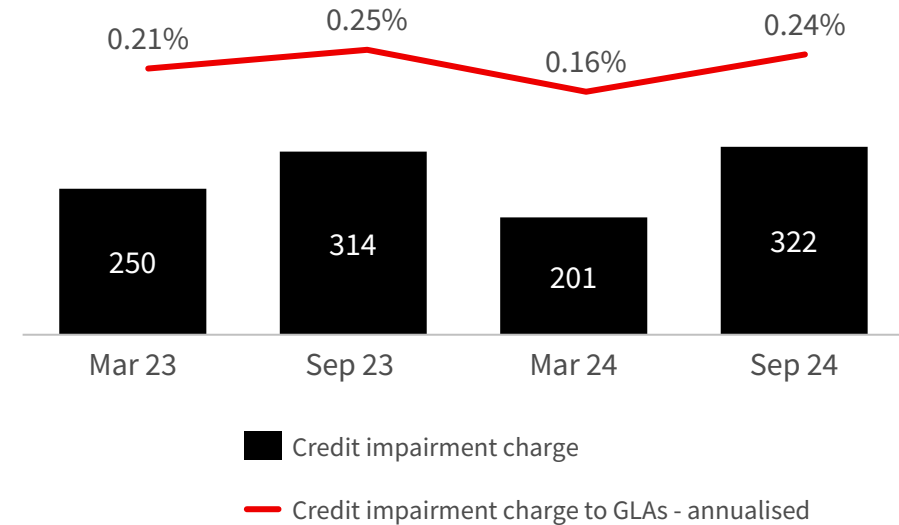
**Net interest margin**



**Business and housing lending GLAs and deposits**  
(\$bn)



**Credit impairment charge and as a % of GLAs**  
(\$m)

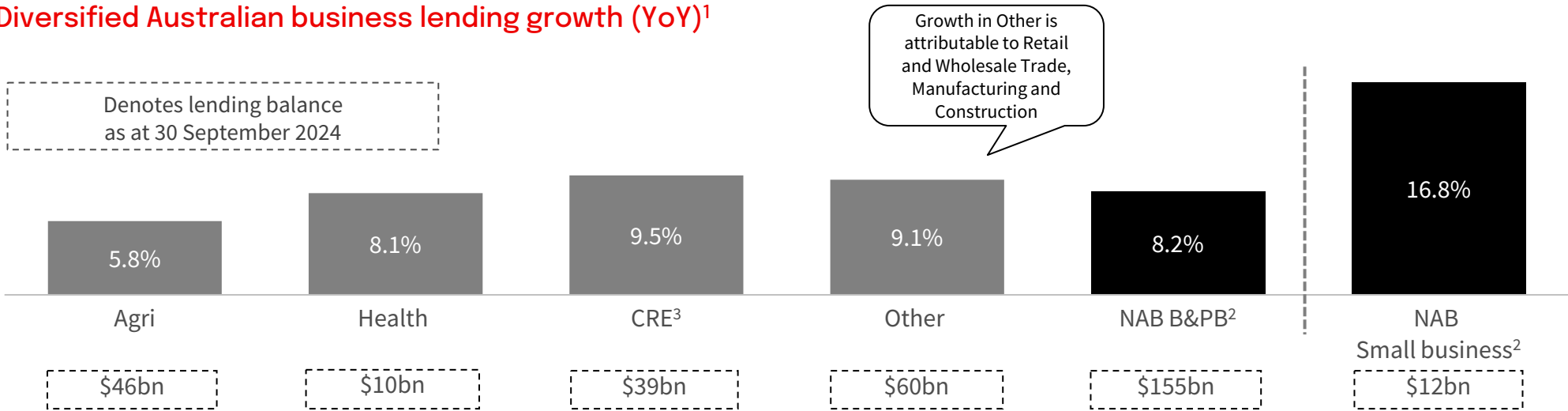


(1) During the year ended 30 September 2024, some customer lending and deposit portfolios were transferred between Personal Banking and Business & Private Banking. Comparative information has been restated accordingly

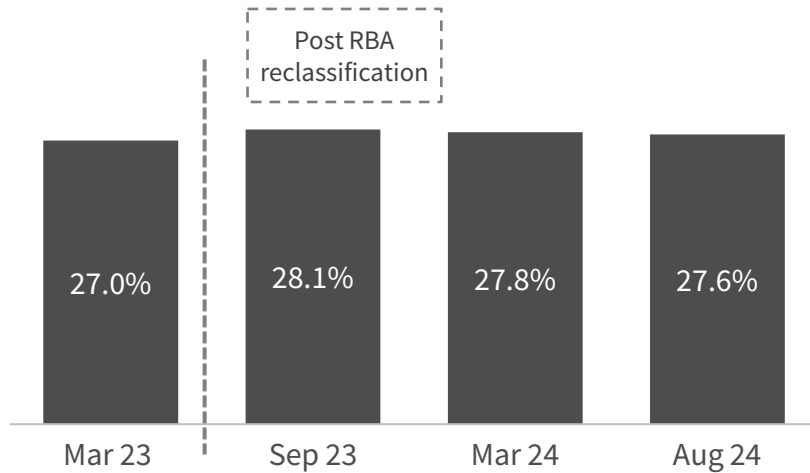
# Business & Private Banking (B&PB) business lending

## Diversified Australian business lending growth (YoY)<sup>1</sup>

Denotes lending balance as at 30 September 2024



## SME lending market share (RBA)<sup>4,5</sup>



## Business lending market share (APRA)<sup>5,6</sup>



- (1) Growth rates are on a customer segment basis and not industry
- (2) B&PB customers typically have borrowings up to \$50m and turnover less than \$100m. NAB Small business reflects business lending by B&PB's Business Direct & Small Business unit
- (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) Derived from latest RBA statistics. Data to Mar 23 is based on the prior 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. From Apr 23, APRA amended the definition for SME to turnover of less than \$75m and 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
- (5) Includes business lending relating to both B&PB and some C&IB customers
- (6) Represents business lending to non-financial businesses under APRA Monthly ADI Statistics definitions. Includes a restatement submitted to APRA regarding a change of industry classification from July 23

# Private Wealth

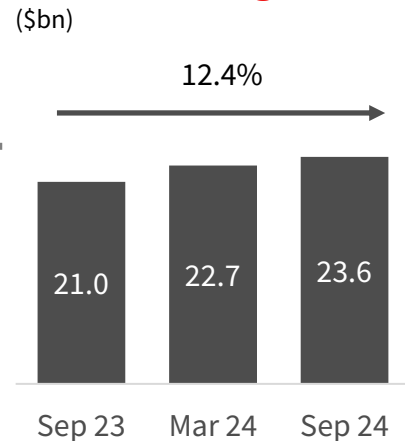
Delivering banking, investments and advice to high net worth (HNW) customers via an integrated offer combining JBWere, NAB Private Investments, nabtrade and Private Banking

- **Growth** in deposits, housing lending and FUM supported by ongoing referrals across Business & Private Banking
- **Peer leading #1 NPS** HNW segment<sup>1</sup> and **winner** RFI Global Atlas award for Outstanding Private Bank<sup>2</sup>
- Strong client uptake of **new international bonds and multi currency facility** offered via nabtrade
- Driving **thought leadership** research and reports including Women & Wealth White Paper and Bequest Report

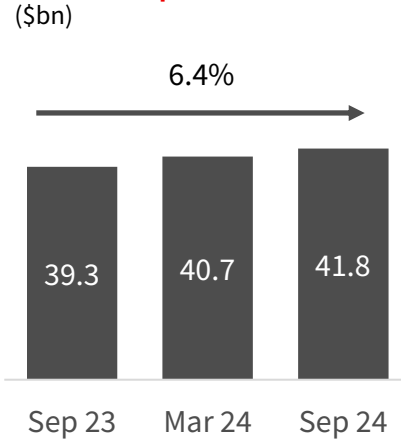
- Launch of refreshed JBWere client portal using digital technology to provide more user friendly navigation, market data feeds (domestic and international equities, indices, foreign currencies), enhanced company content, and ability to manage larger transaction and payment amounts
- Investment in **FirstCape**, a leading advice and asset management business for clients in New Zealand, which combines NAB's NZ wealth businesses (including JBWere NZ) with Jarden Wealth providing expanded product offerings, distribution capability and scale

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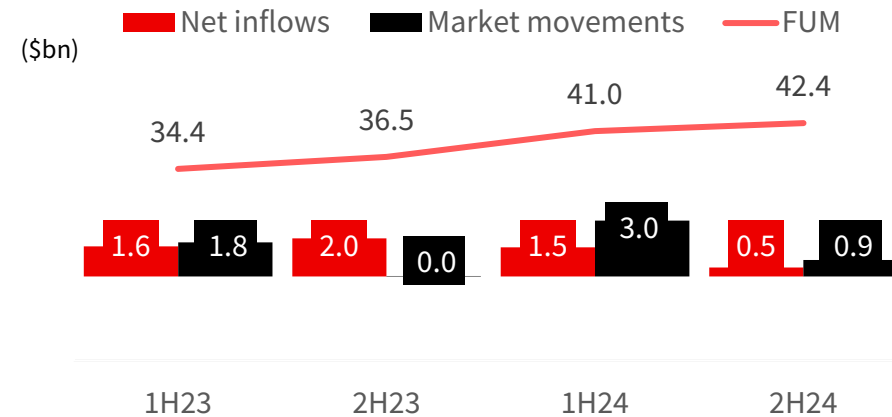
Private Banking housing lending<sup>3</sup>



Private Banking deposit<sup>3</sup>



JBWere net inflows and FUM<sup>4</sup>



(1) Sourced from RFI Global – Atlas, measured on 6 month rolling average to August 2024. Based on all consumers, 18+, includes High Net Worth customers (\$2.5m+ in footings or have investible assets of \$2.5m+). Ranking based on absolute scores, not statistically significant differences and compared against major peers  
 (2) 2024 RFI Global Banking and Finance Award: \$1m-10m (total assets) category  
 (3) During the year ended 30 September 2024, some customer lending and deposit portfolios were transferred between Personal Banking and Business & Private Banking. Comparative information has been restated accordingly  
 (4) FUM balances and components have been restated to reflect the sale of NZ wealth businesses

# Building a digital SME business lending platform

Delivering faster, more seamless lending experiences across small to complex customers for all business lending products

## Application

### Simplified digital application

#### High re-use of existing customer data

**Small business lending via Quickbiz<sup>1</sup>** increasing portion of applications straight-through processed

#### Medium business lending

- streamlined digital deal submission allowing bankers to structure and submit all customer lending requests
- single system replacing multiple systems - saving time, reducing errors and duplicated work

## Verification and decisioning

### Fast, automated decisions

#### New security database

- replacing manual collateral inputs with data drawn digitally from title searches, property websites etc
- providing faster valuations and better data quality

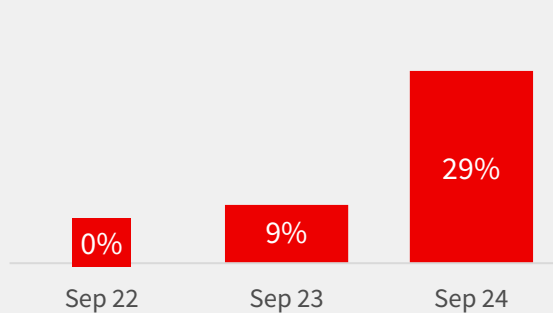
## Fulfillment and Settlement

### Increasing digital fulfilment & management

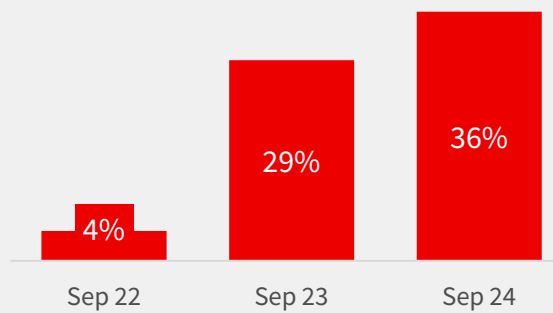
#### Digital documentation & execution

- increasingly allowing customers to receive and sign documents same day speeding up time-to-cash and reducing touch time for bankers
- expanding eligibility across more customers, lending and products<sup>4</sup>
  - enabling digital execution of more document types

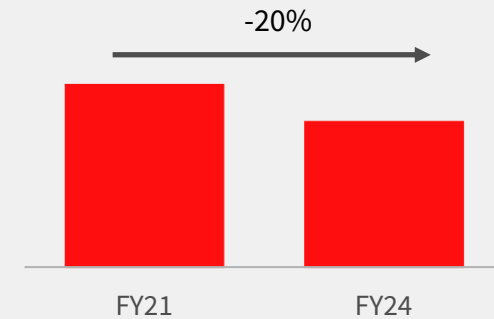
% of Quickbiz applications straight through processed<sup>2</sup>



Banker deals submitted digitally<sup>3</sup>



Business lending unit costs



(1) Unsecured term lending up to \$250k and Business Cards & Overdrafts up to \$50k currently available via direct and banker channels to Sole Traders, Partnerships, Trusts and single and multi director private companies  
 (2) Number of applications straight through processed on QuickBiz as a proportion of the total number of approvals  
 (3) % of New/Increase lending deals submitted by bankers via Quickbiz or via medium business lending streamlined single system  
 (4) Currently available for QuickBiz Lending, Term Lending, Simple Home Lending, Commercial Broker and Equipment Finance

# Better business transaction & payments experiences

## Innovative digital payment solutions



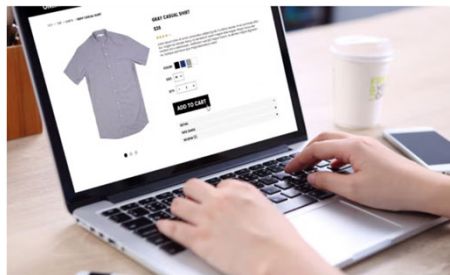
- NAB Easy Tap - turns a merchant's Android device into a payment terminal
- NAB Portal Pay - faster, safer and easier payments for real estate agents and their clients; real estate agents can receive deposits from property sales in real-time and receive and reconcile secure rental payments

## Nextgen terminals



- 4G connectivity, improved security and reliability, better usability including larger screen and vision impaired features for HICAPS terminals
- Merchant Choice Routing, 30 days settlement history, mobile and countertop in a single device
- Software enables future addition of value-add services e.g. QR codes, self service

## NAB Gateway - a refreshed total solution for online and virtual payments



- Fast and easy set-up, strong security and fraud detection features
- Flexible web payment options including easy integration with a wide range of independent 'shopping cart' vendors, accepts digital wallet transactions e.g. Apple Pay
- Detailed and highly customisable reporting capabilities

## HICAPS: simplifying healthcare payments



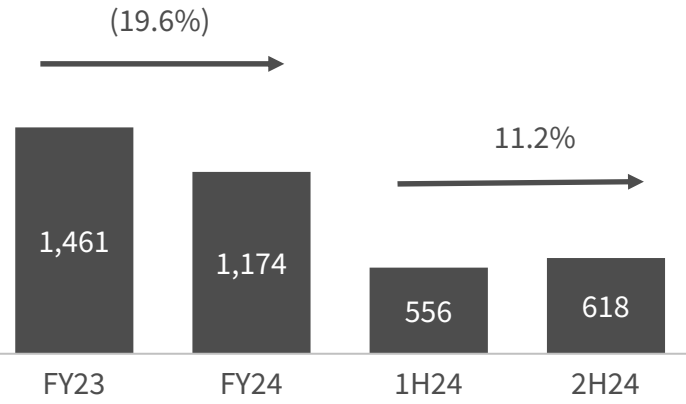
- Seamless and digital claims invoicing supported by increasing integrations with practice management systems and ongoing extension of claiming services
- Simple, easy to use self-service portal - healthcare providers can update details, view terminal details, configurations, view fees online and digitally onboard additional providers to terminal for claiming
- Streamlined NDIS invoicing

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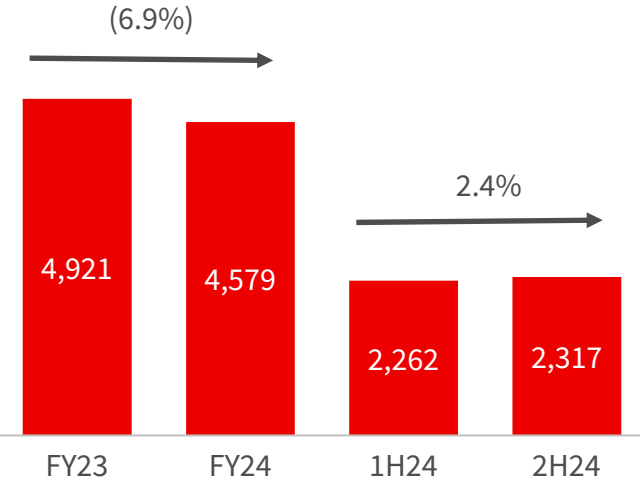
# Personal Banking<sup>1</sup>

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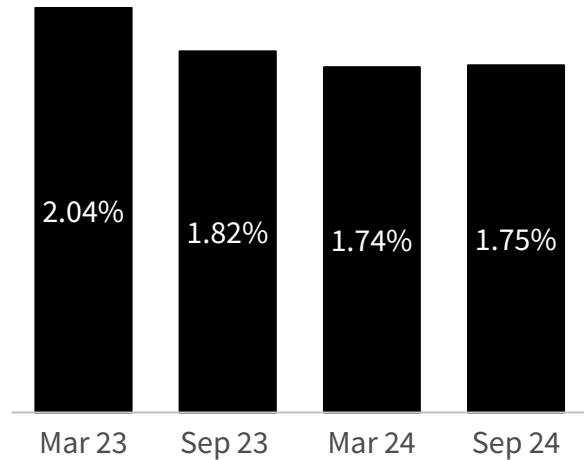
**Cash earnings**  
(\$m)



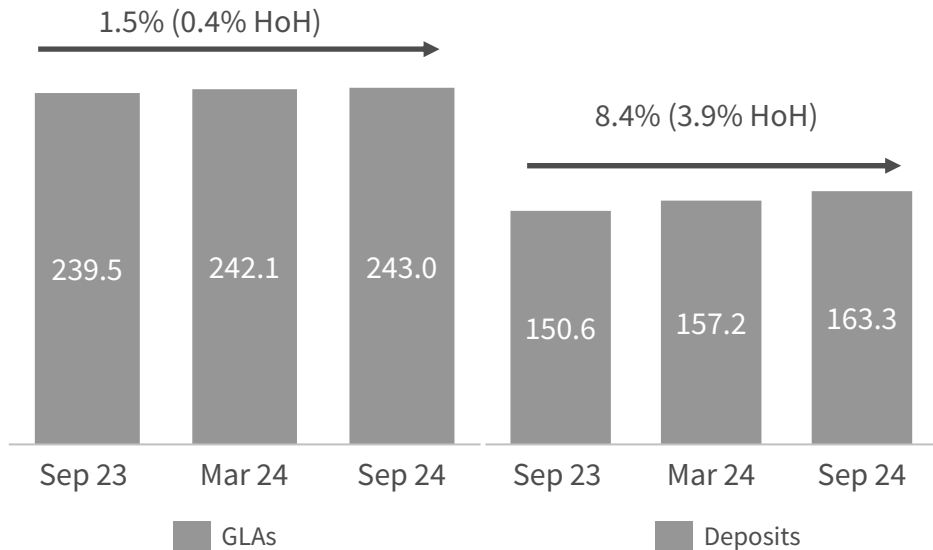
**Revenue**  
(\$m)



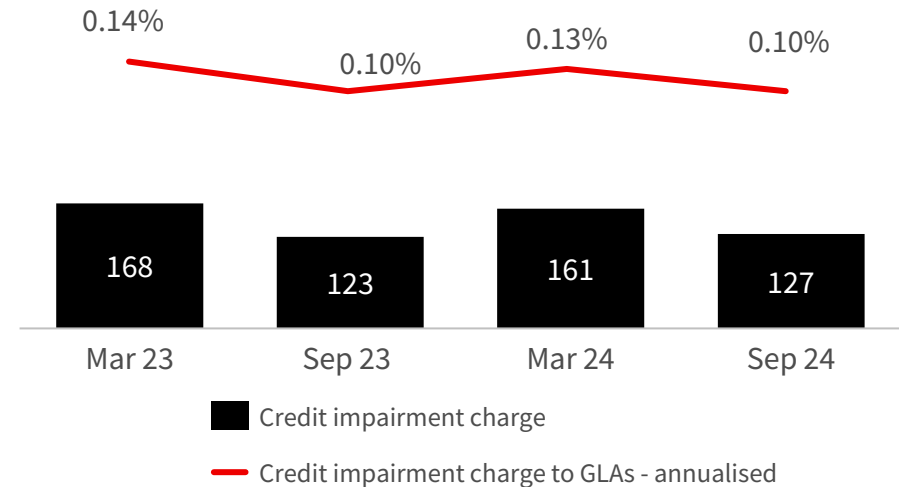
**Net interest margin**



**Housing lending GLAs and deposits**  
(\$bn)



**Credit impairment charge and as a % of GLAs**  
(\$m)



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

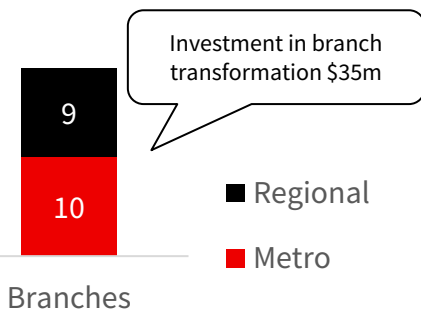
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## Supporting frontline bankers



- Investing in branch network to drive customer acquisition and deepen relationships
- Strengthen contact centres by providing bankers with tools and capability

### FY24 branch transformations<sup>1</sup>

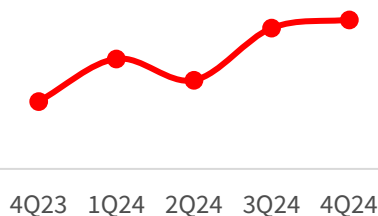


## Growth in proprietary lending



- Continued investment in a simplified mortgage process to deliver fast home loan decisions
- Investing in our home lending salesforce

### Proprietary applications \$ (PB and B&PB)

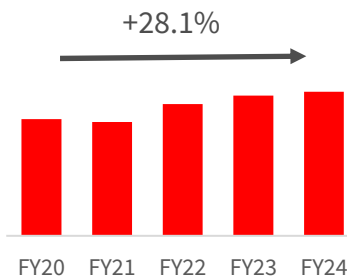


## Sustainably grow deposits



- Target growth segments incl mass affluent to drive new account openings and deepen main bank relationships

### Transaction account openings

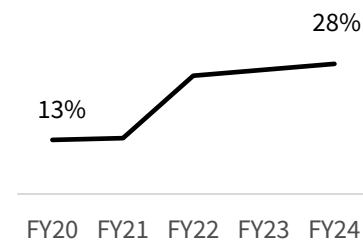


## Market leading in unsecured lending



- Building a modern platform to support customer experience and expanded white label and rewards partnerships

### #1 credit cards market share<sup>2</sup>



Enabled by our continued investment in personalisation through digital and data capabilities

(1) Includes metro, regional, and expert centre transformations  
 (2) APRA Monthly Authorised Deposit-taking Institution statistics. Latest data as at Sep 24

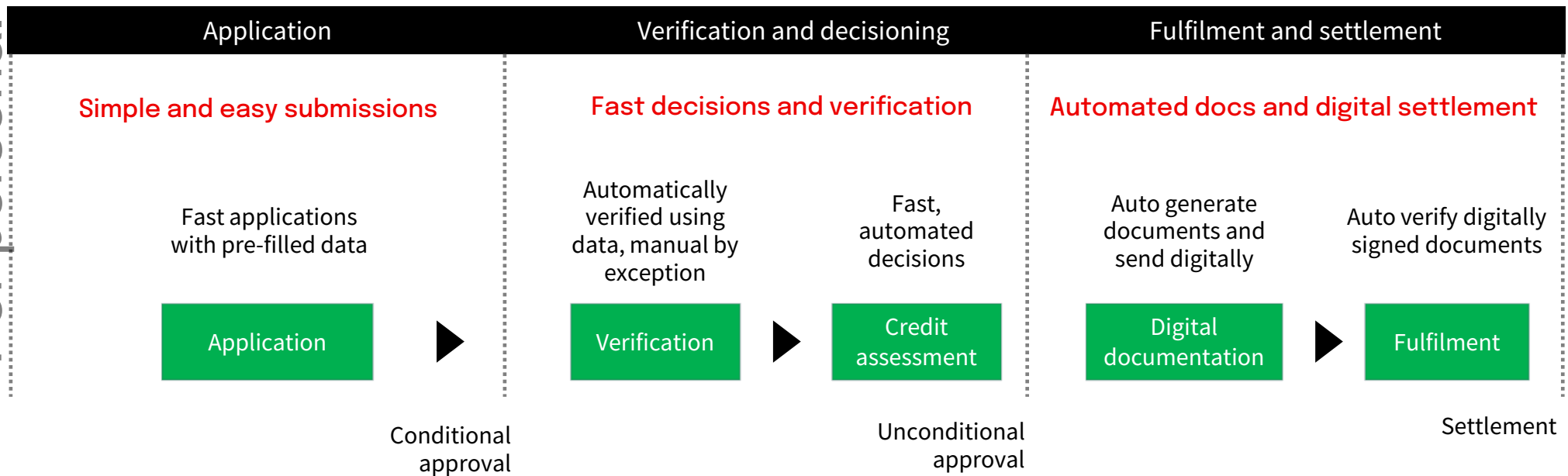


# Continued delivery of Simple Home Loans

## FY24 update

- 34% broker home loans now approved via Simple Home Loans (SHL) (up from 24% in 1H24)
- 95% Retail proprietary applications eligible through SHL
- 55% of B&PB proprietary applications eligible through SHL
- 1.2 days median CXTTUA for proprietary and broker<sup>1</sup> applications through SHL
- 97% of applications settled digitally for proprietary and broker<sup>2</sup>

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(1) Customer Experience Time To Unconditional Approval (CXTTUA) measures the time taken from the banker or broker submitting the application for first auto-decision until unconditional approval is achieved and loan documents are with the customers. Includes Broker, Retail and B&PB home lending applications through SHL

(2) Broker and Retail home loans settled digitally via PEXA in FY24

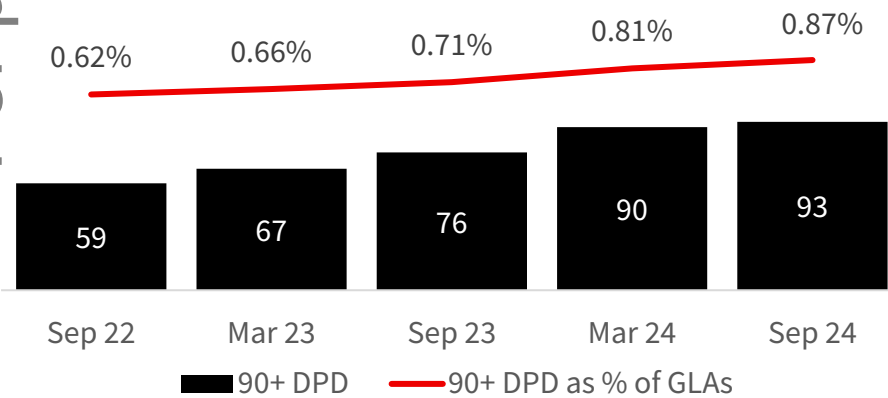
# Unsecured lending

## Key considerations

- Momentum in credit cards continued throughout FY24, with strong acquisition and spend performance across NAB and Citi portfolios. Balances peaked in 1H24 reflecting record levels of seasonal spend
- Portfolio quality remains sound
  - Arrears increased in FY24 but remain below pre-COVID 19 levels
  - Modest uptick in revolve rates ~62%, still below 2019 trend (~65-70%)

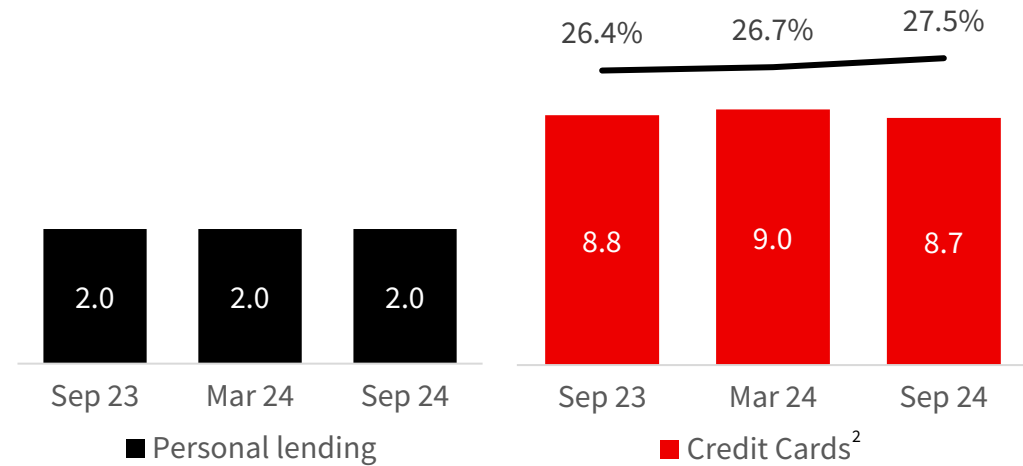
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**Cards<sup>4</sup> and personal lending 90+DPD and as a % of total cards and personal lending GLAs**  
(\$m)

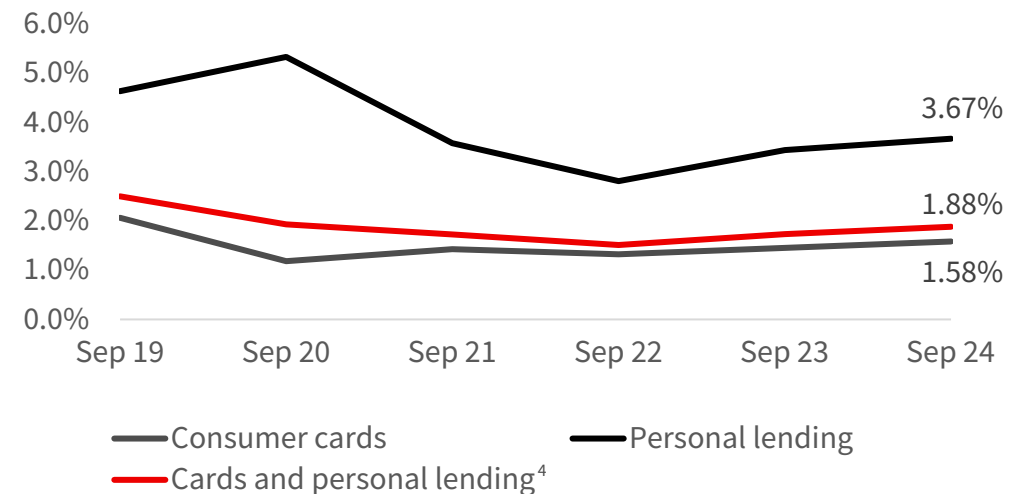


## Balance and market share<sup>1</sup>

(\$bn)



## 30+DPD as % of outstandings<sup>3</sup>

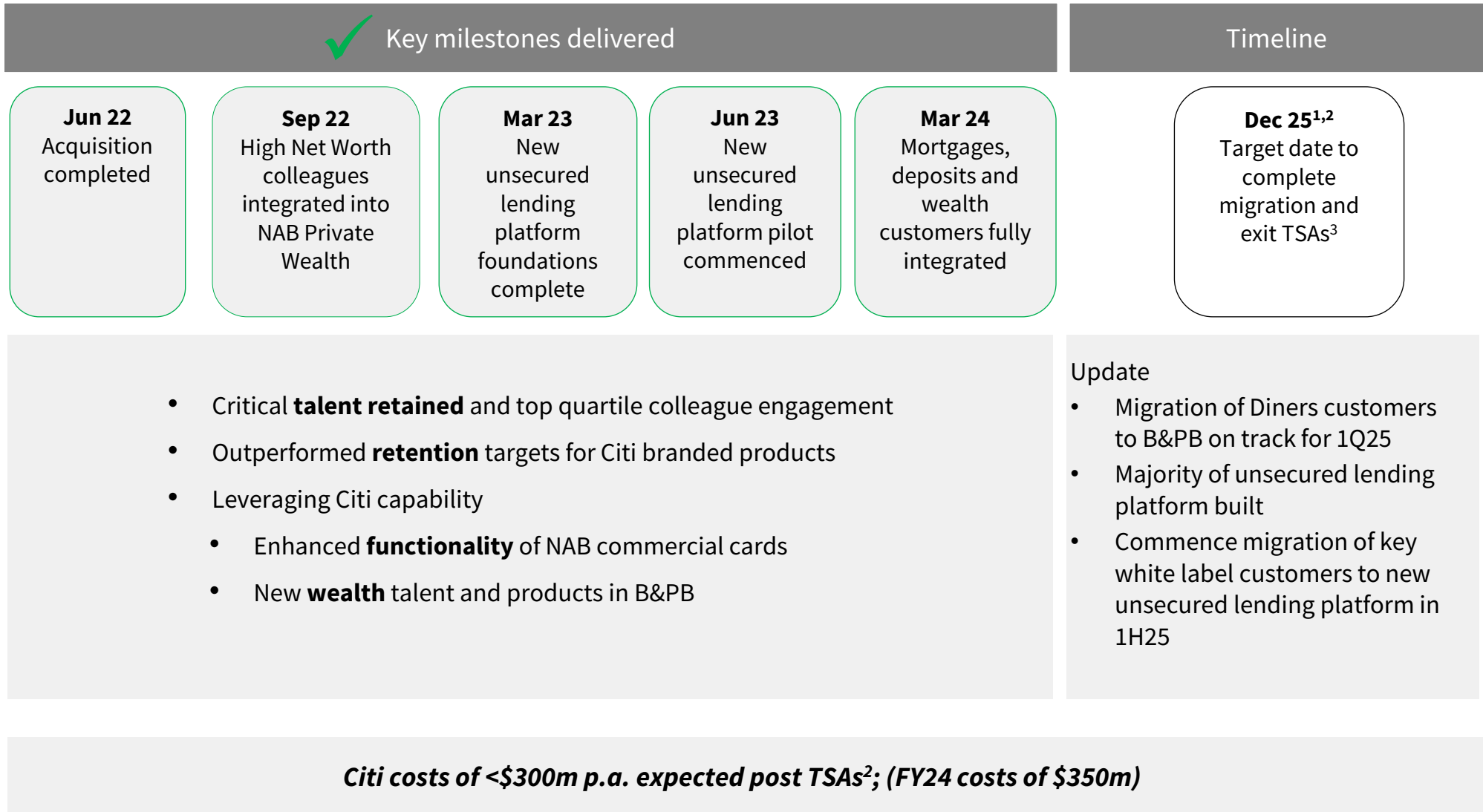


(1) Market share refers to consumer cards only. APRA Monthly ADI statistics  
 (2) Decline in Sep 2024 balances reflects impact of Diners Club exit  
 (3) Includes Citi Consumer Business from Sep 22  
 (4) Includes consumer and commercial cards

# Migration of Citi Consumer Business is a key priority

## Integration and migration timeline

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(1) Integration and migration timeframe subject to change (including for deliverables by third-party partners)  
 (2) Refer to key risks, qualifications and assumptions in relation to forward looking statements on page 136  
 (3) Transitional Service Agreements

## FY24 highlights

### Continued growth and strong customer advocacy

- Maintained #2 NPS across peers
- 15% increase in total customers in FY24 to ~850k with >60% of newly onboarded customers <35 years of age
- Continued deposit growth and a more disciplined approach to home lending in 2H24

### Consistently delivering new tools and features that help customers manage their money

- ✓ 'Pay Cycle' helps customers manage their cash flow by showing how long until their next payday
- ✓ A new 'Bills' account allows customers to set aside money for bills and clearly see how much of their money is committed
- ✓ 'Bills Planner' provides customers with a timeline of their upcoming bills
- ✓ A new Home Loan direct origination experience that is fast and simple, featuring an application tracker to monitor progress
- ✓ A simple and secure app login with Passkeys

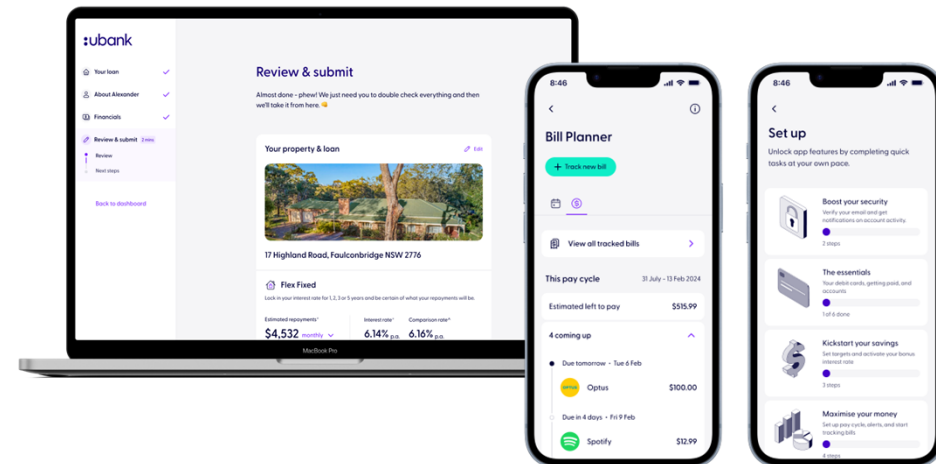
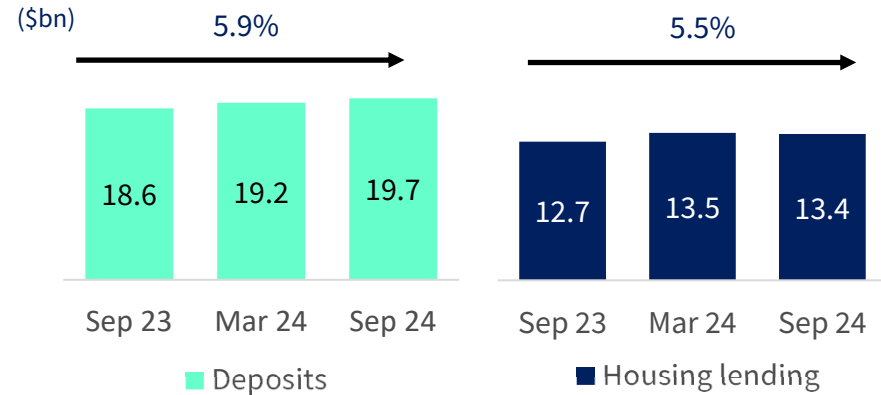
## Strong customer advocacy

Overall NPS<sup>1</sup>  
**+33**  
#2 vs peers<sup>2</sup>

NPS<sup>1</sup> <35 yrs  
**+38**  
#2 vs peers<sup>2</sup>

Highly rated app  
**4.7**  
out of 5<sup>3</sup>

## Deposit and lending growth

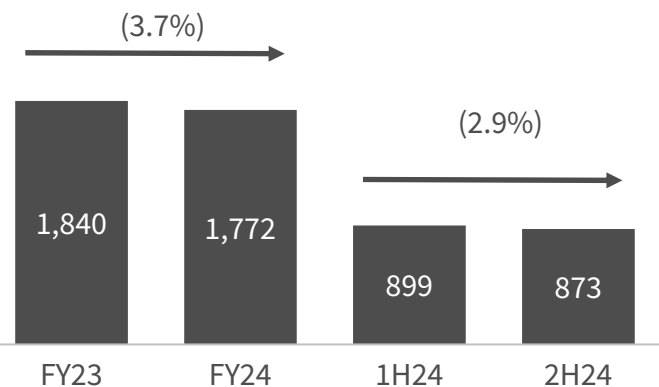


(1) Sourced from RFI Global – Atlas, measured on 6 month rolling average to Sep 24. Includes consumers 18+  
 (2) Rank based on position within competitor set (Up, Bendigo Bank, ING, ME Bank, Macquarie Bank)  
 (3) Apple store rating on 30 September 2024

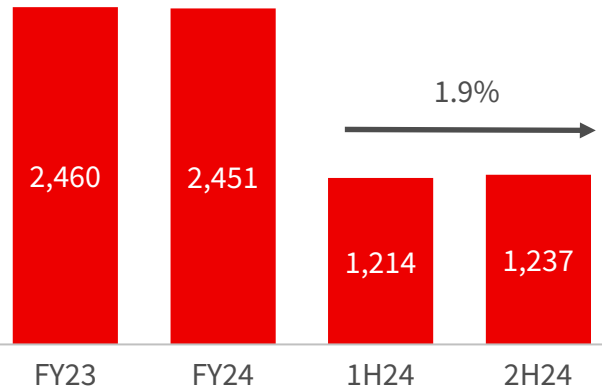
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# Corporate & Institutional Banking<sup>1</sup>

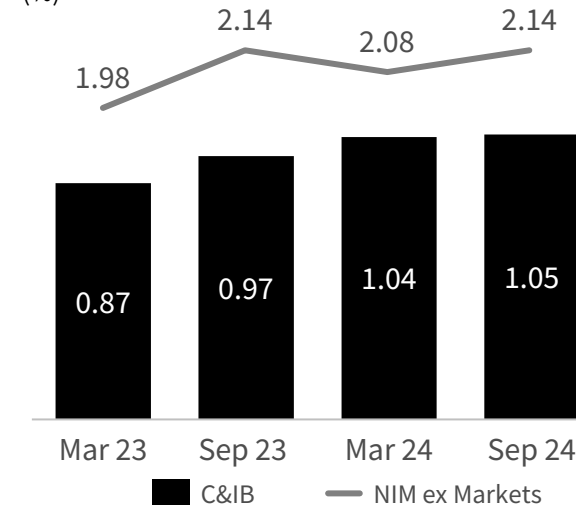
**Cash earnings**  
(\$m)



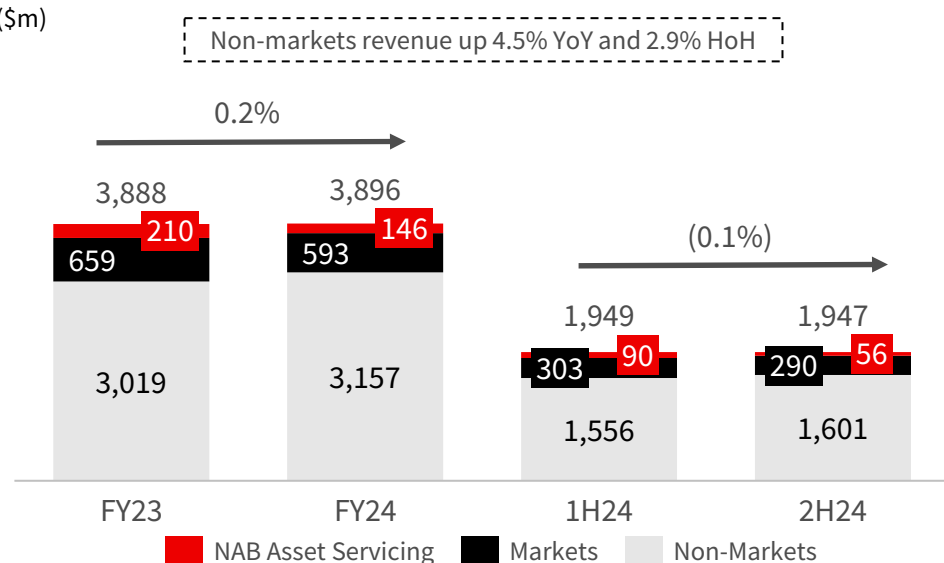
**Underlying profit**  
(\$m)



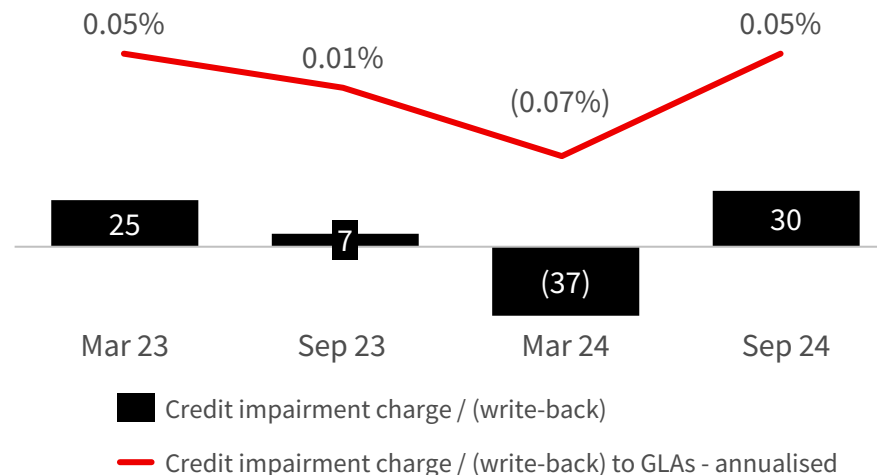
**Net interest margin**  
(%)



**Revenue breakdown<sup>2</sup>**  
(\$m)



**Credit impairment charge and as a % of GLAs**  
(\$m)



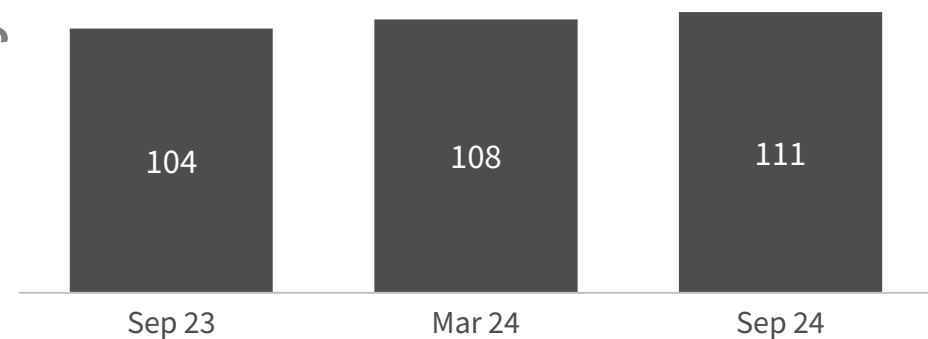
(1) Corporate & Institutional Banking included Bank of New Zealand's Markets Trading operations up to 30 September 2023. From 1 October 2023, these operations are reported within New Zealand Banking. Comparative information has been restated accordingly. Figures include impact of wind down of NAB Asset Servicing business over approximately three years from Nov 22

(2) Markets revenue represents Customer Risk Management revenue and NAB Risk Management Revenue. Includes derivative valuation adjustments. NAB Asset Servicing (which is being wound down over approximately three years from November 2022), had FY23 revenue of \$210m (\$150m NII and \$60m OOI), FY24 revenue of \$146m (\$103m NII and \$43m OOI), 1H24 revenue of \$90m (\$64m NII and \$26m OOI) and 2H24 revenue of \$56m (\$39m NII and \$17m OOI)

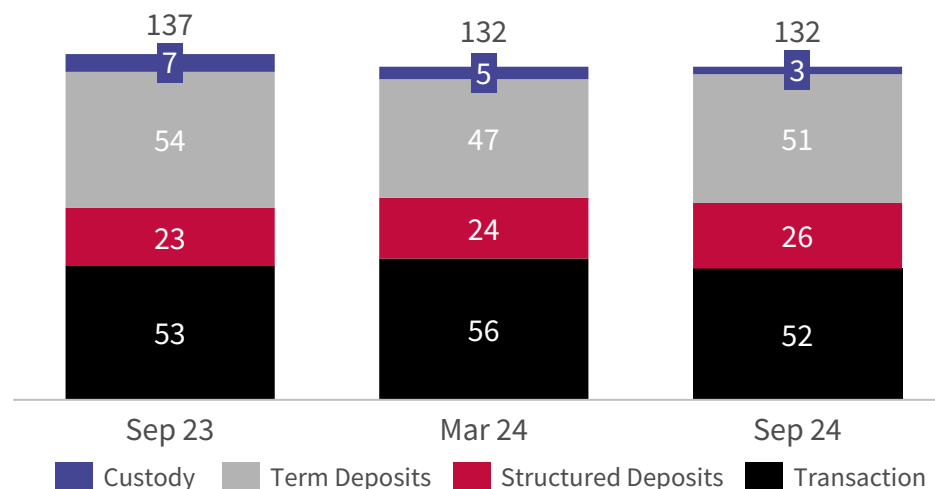
# Disciplined growth in Corporate & Institutional Banking<sup>1</sup>

**GLA outcomes**  
(\$bn)

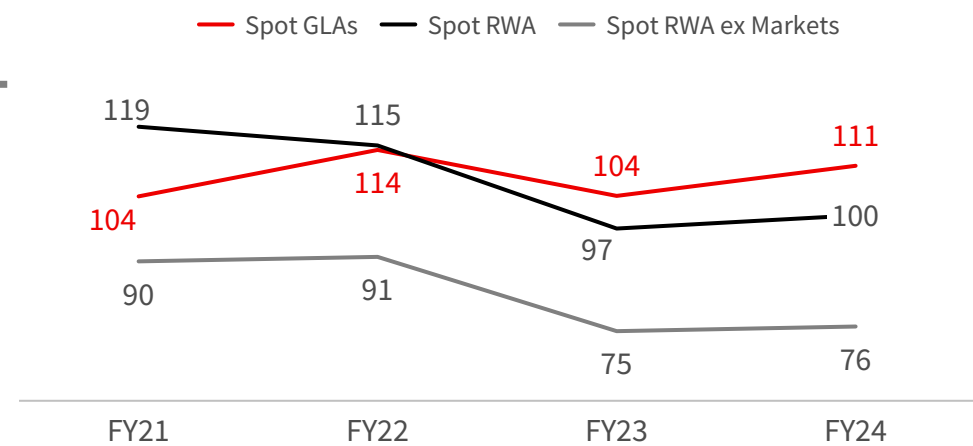
Higher corporate, funds and securitisation lending combined with disciplined portfolio management



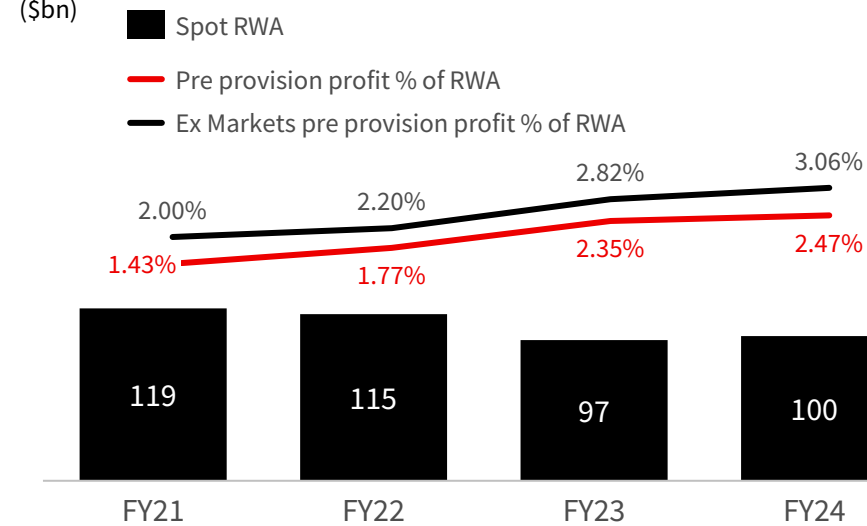
**Deposits<sup>2</sup>**  
(\$bn)



**Disciplined capital usage<sup>3</sup>**  
(\$bn)



**Returns focus<sup>3,4</sup>**  
(\$bn)



(1) Corporate & Institutional Banking included Bank of New Zealand's Markets Trading operations up to 30 September 2023. From 1 October 2023, these operations are reported within New Zealand Banking. Comparative information has been restated from Sep 22 onwards. Figures include impact of wind down of NAB Asset Servicing business over approximately three years from Nov 22

(2) Structured deposits have notice periods which extend their behavioural maturity beyond their initial contractual maturity and pricing construct. They include Rolling Deposit Accounts, Retail Look Through and Notice Saver deposits

(3) APRA's revised capital framework effective from 1 January 2023 resulted in a reduction of \$10.0bn in spot RWAs and \$9.2bn in ex Markets RWAs Sep 22 to Mar 23

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

Deep expertise & leading capabilities

Tech-enabled solutions making doing business easier

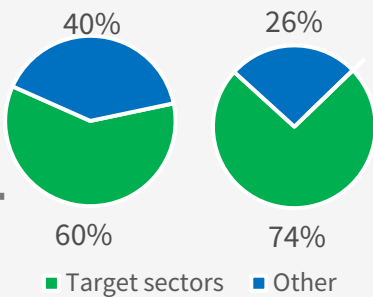
Ongoing simplification & disciplined balance sheet usage

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Long term relationships with target segment customers<sup>1</sup>



Mar 21 EAD    Sep 24 EAD



Leading Transaction Banking capability



Seamless domestic/ international payments, liquidity management & trade finance

**#1 Transaction Banking RSI<sup>2</sup>**  
**5 years in a row**

Leading Debt Capital Markets offering



Asset distribution expertise, trusted investor relationships, execution excellence

**# 1 DCM RSI<sup>3</sup>**  
**10 years in a row**

Sustainability



Transition planning, innovative solutions, investment in climate capabilities

**#1 bank for global renewables transactions<sup>4</sup>**

Focused Global Markets offering



AUD & NZD currencies, hedging, interest rate derivatives

**#1 Corporate FX RSI<sup>5</sup>**

**#2 Interest Rate Derivatives RSI<sup>6</sup>**

**Well rated research<sup>7</sup>**

Driving

**Strong customer advocacy & colleague engagement**  
**Sustainable returns: Cash ROE ~600bps higher over 4 years from FY20 to 15.9%<sup>8</sup>**

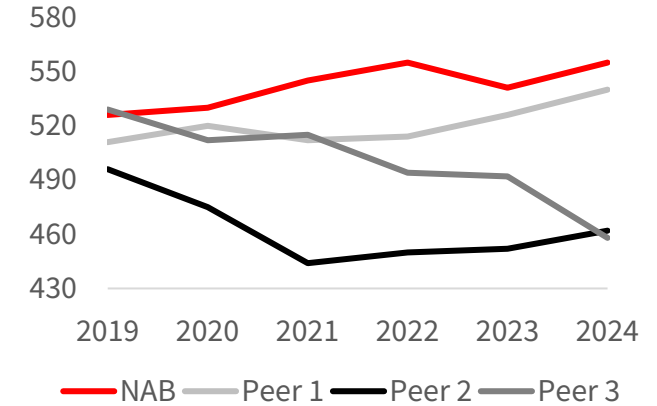
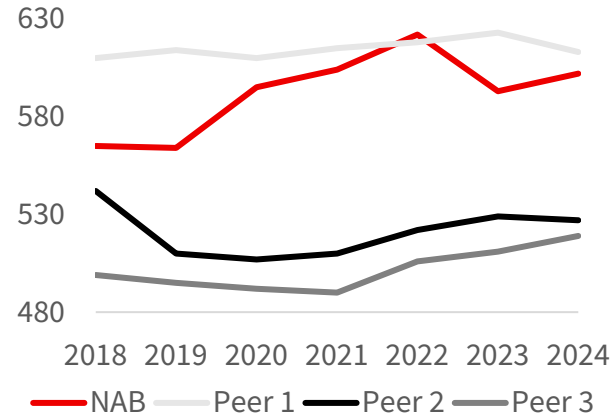
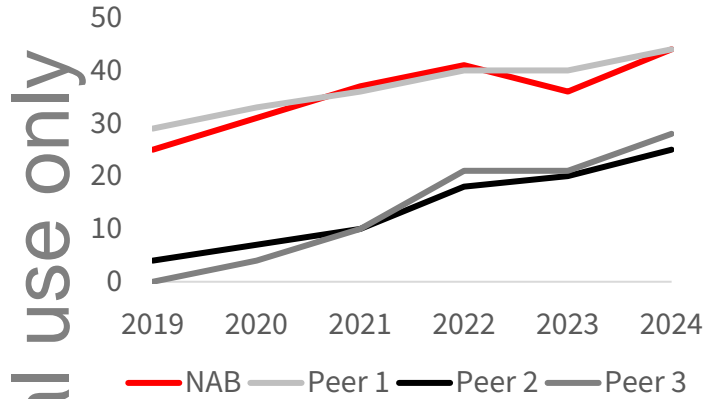
(1-8) Refer to sources and notes at the back of this presentation on page 135 for further details  
Relationship Strength Index (RSI) is based on the results of key qualitative measures

# Corporate & Institutional Banking customer metrics

Large Corporate & Institutional – NPS<sup>1</sup>

Large Corporate & Institutional RSI<sup>1</sup>

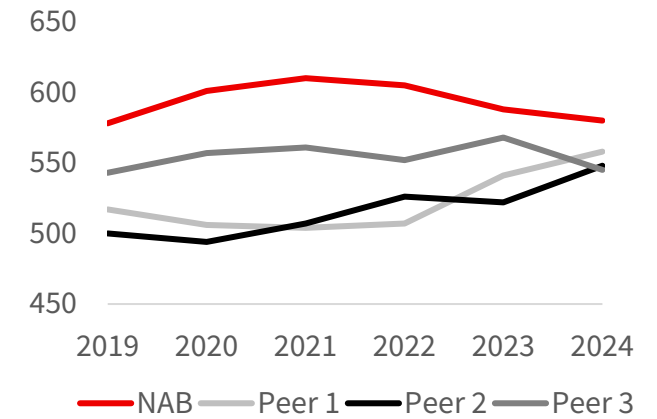
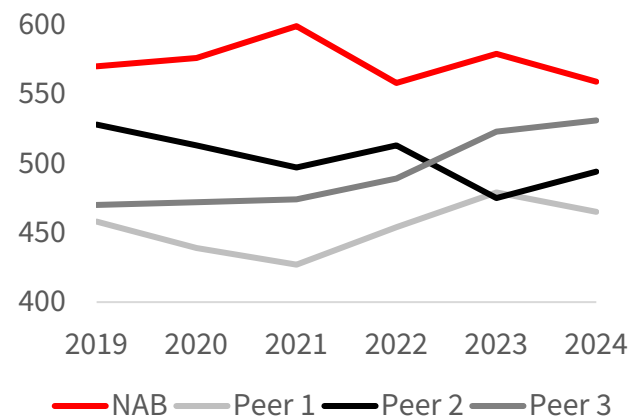
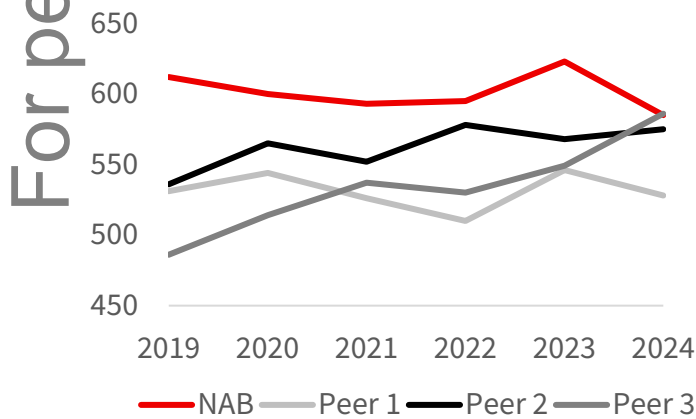
Transactional Banking – Relationship Strength Index<sup>2</sup>



Interest Rate Derivatives – Relationship Strength Index<sup>3</sup>

Debt Capital Markets – Relationship Strength Index<sup>4</sup>

Foreign Exchange (Corporate) – Relationship Strength Index<sup>5</sup>



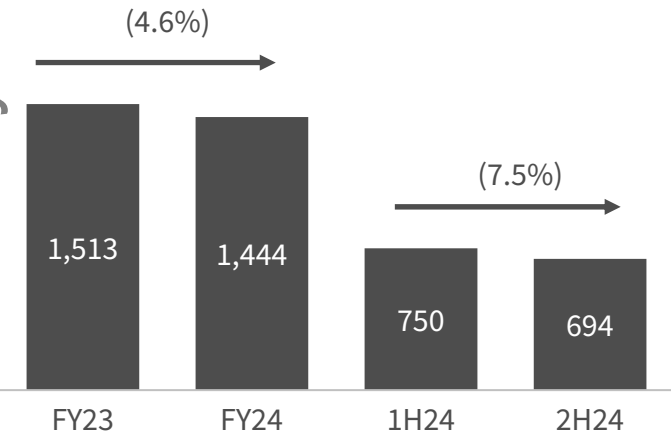
All data from the most recently available Coalition Greenwich (formerly Peter Lee Associates) surveys, Australia. Coalition Greenwich is a division of Crisil. Based on top four banks by penetration. Relationship Strength Index (RSI) is based on the results of key qualitative measures

- (1) Large Corporate & Institutional Relationship Banking Survey Jun 24
- (2) Transaction Banking Survey Jun 24
- (3) Interest Rate Derivatives Survey Oct 24
- (4) Debt Capital Markets Survey Jun 24
- (5) Foreign Exchange Survey, Corporate Respondents Oct 24

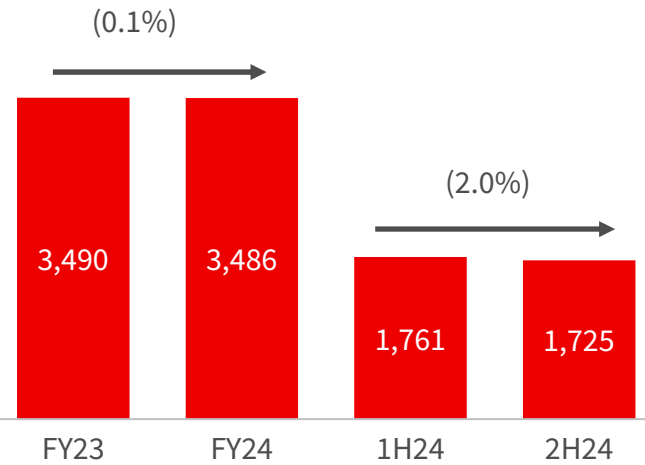


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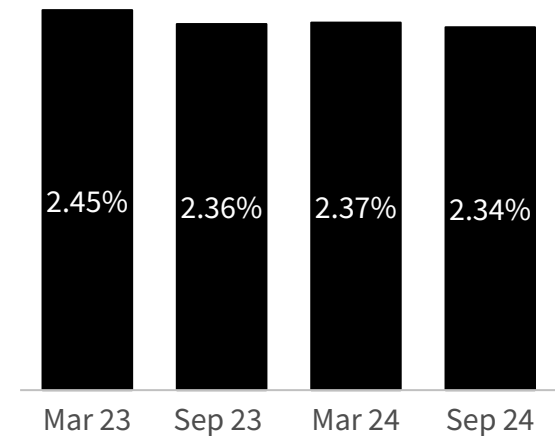
## Cash earnings (NZ\$m)



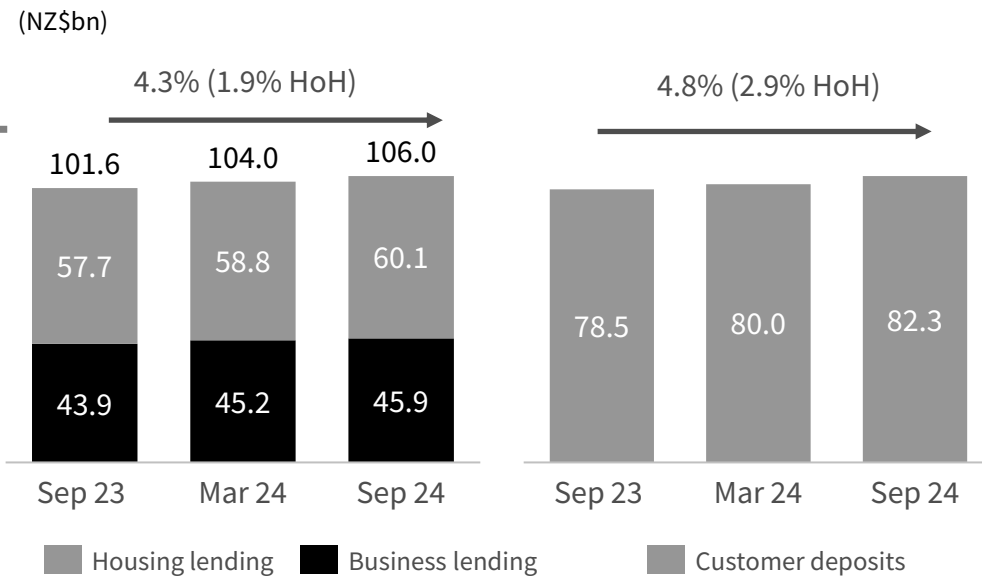
## Revenue (NZ\$m)



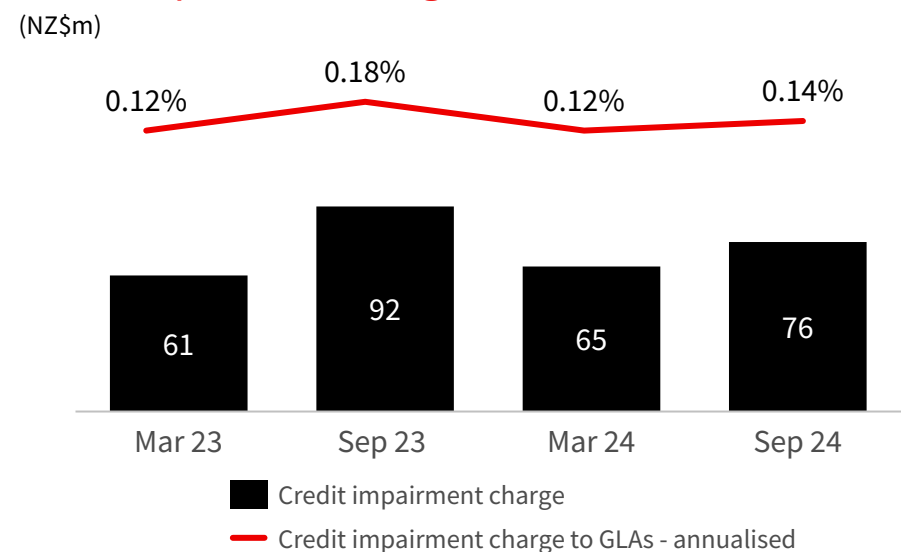
## Net interest margin



## Business and housing lending GLAs and deposits (NZ\$bn)



## Credit impairment charge and as a % of GLAs (NZ\$m)



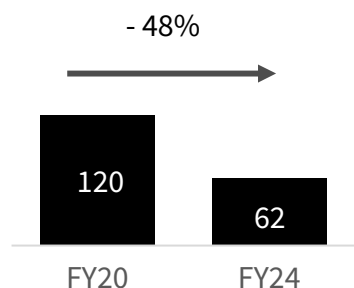
(1) From 1 October 2023 the Bank of New Zealand's Markets Trading operation and enabling units are reported within New Zealand Banking. Previously the Bank of New Zealand Markets trading operations were reported in Corporate & Institutional Banking and the enabling units within Corporate Functions and Other. Comparative information has been restated accordingly

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## Simpler, more focused bank

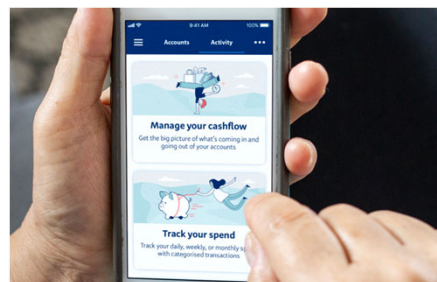
- Simplified products, fees and processes
- Focus on improved service and turnaround times
- Executed the sale of the NZ Wealth businesses (retained a 45% share of the combined FirstCape entity)

### Number of products

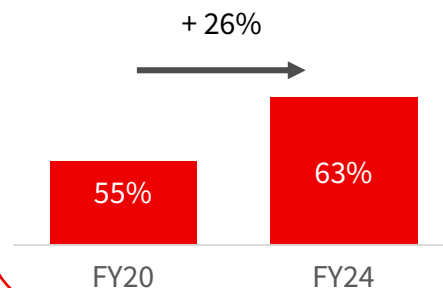


## Improved digital capability supporting customer growth

- Strong customer growth with ~100k customers onboarded in the last 12 months
- First NZ bank to achieve opening banking milestone set by Payments NZ



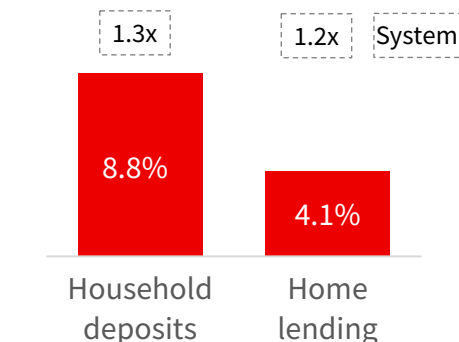
### Digitally active customers



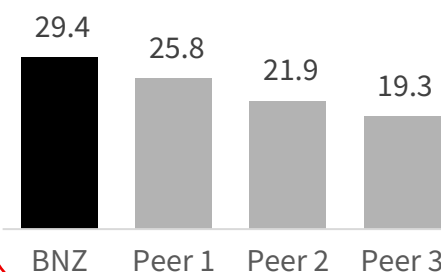
## Increasing market share in underweight segments

- Above system growth in household deposits and home lending
- Maintain market leading business bank position

### FY24 balance sheet growth<sup>1</sup>



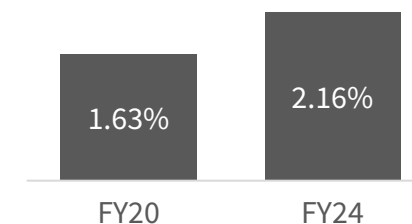
### Business lending<sup>3</sup> (NZ\$m)



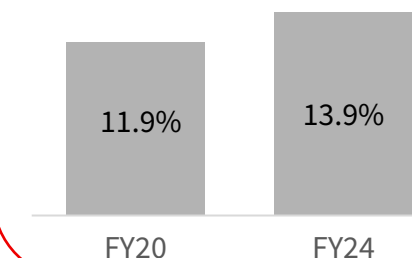
## Focus on returns

- Strong focus on returns given increased capital requirements

### Cash earnings on average RWA<sup>2</sup>



### CET1 ratio



(1) RBNZ market share statistics. Latest data at Sep 2024

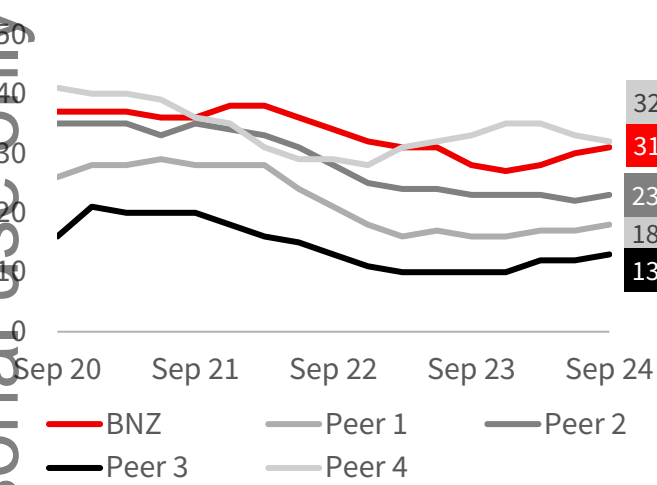
(2) FY20 cash earnings on RWA have not been restated for the change in reporting of the Bank of New Zealand's Markets Trading operations and enabling units which, prior to 1 October 2023, were reported in Corporate & Institutional Banking and Corporate Functions and Other

(3) RBNZ business lending data as at June 2024

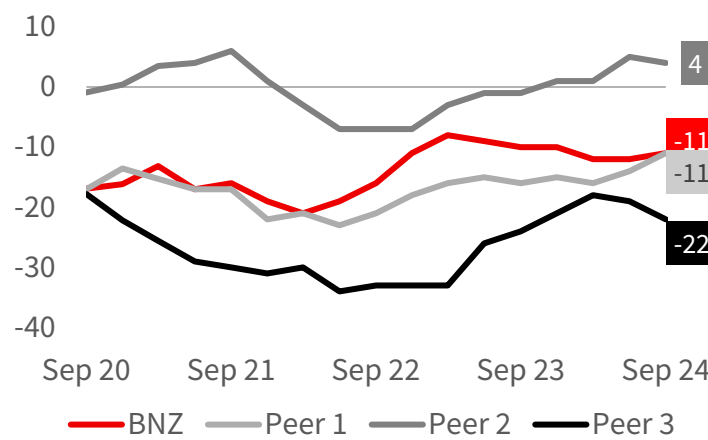
# New Zealand Banking customer metrics

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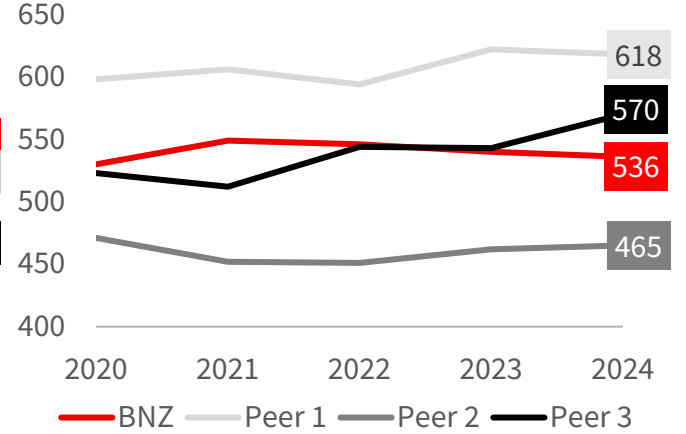
### #2 BNZ Consumer NPS<sup>1</sup>



### #2 BNZ Business NPS<sup>2,3</sup>



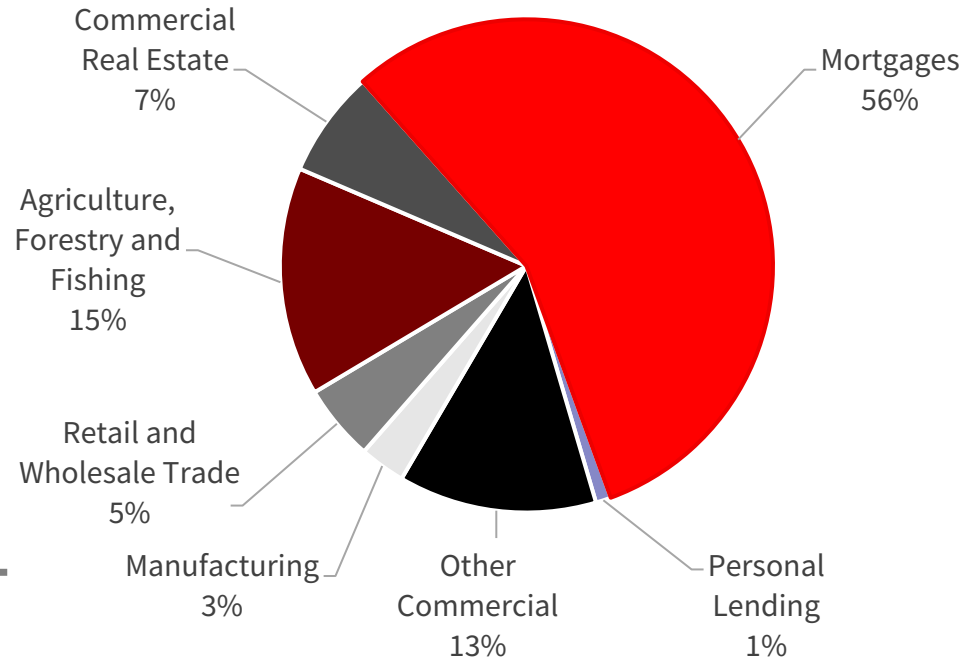
### #3 BNZ Large Corporate Relationship Strength Index (RSI)<sup>4</sup>



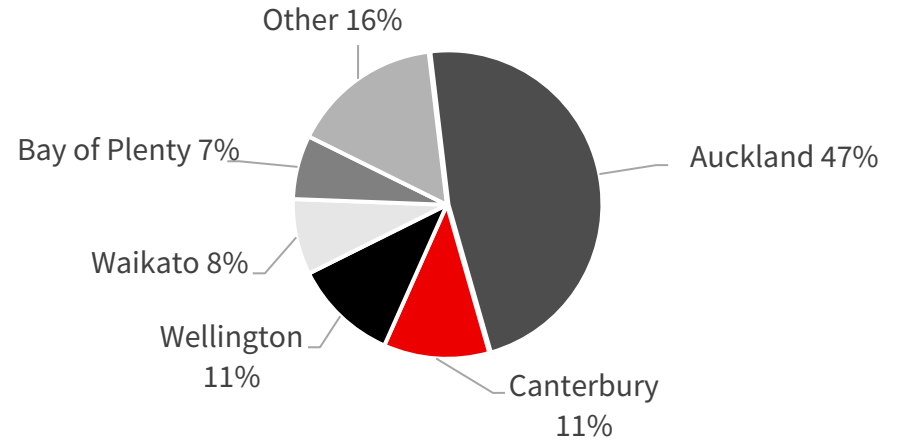
(1-4) Refer to sources and notes at the back of this presentation on page 135 for further details

# New Zealand lending mix

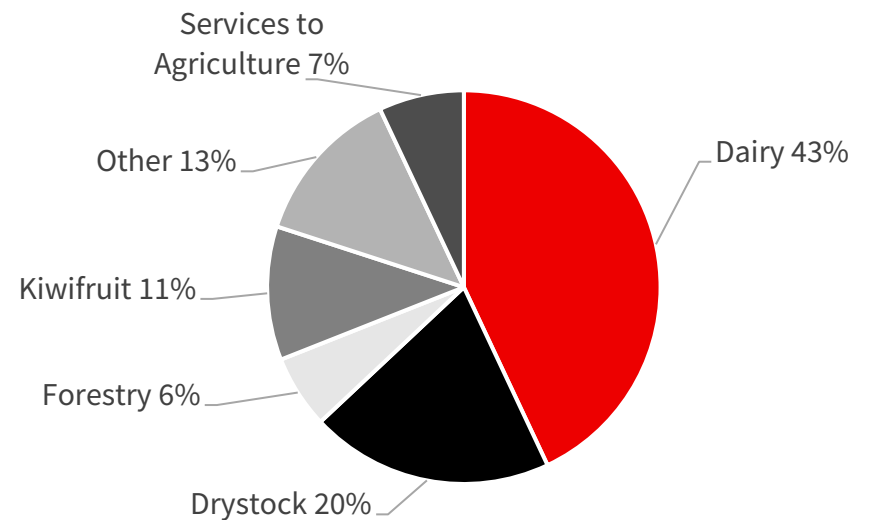
Portfolio breakdown by GLAs - Total NZ\$106.8bn



Mortgage portfolio breakdown by geography - Total NZ\$60.1bn



Agriculture, Forestry & Fishing portfolio breakdown by industry GLAs - Total NZ\$15.7bn



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# New Zealand housing lending key metrics

New Zealand housing lending	Mar 23	Sep 23	Mar 24	Sep 24	Sep 23	Mar 24	Sep 24
					Drawdowns <sup>1</sup>		
Total Balances (spot) NZ\$bn	56.4	57.7	58.8	60.1	5.9	5.4	6.7
By product							
- Variable rate	8.9%	8.4%	8.9%	9.6%	8.9%	11.1%	11.4%
- Fixed rate	89.6%	90.1%	89.5%	88.7%	89.3%	86.9%	86.9%
- Line of credit	1.5%	1.5%	1.6%	1.7%	1.8%	2.0%	1.7%
By borrower type							
- Owner Occupied	66.2%	66.3%	66.4%	66.3%	68.4%	68.7%	65.0%
- Investor	33.8%	33.7%	33.6%	33.7%	31.6%	31.3%	35.0%
By channel							
- Proprietary	67.3%	65.2%	63.7%	62.0%	51.9%	53.2%	52.4%
- Broker	32.7%	34.8%	36.3%	38.0%	48.1%	46.8%	47.6%
Low Documentation	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Interest only <sup>2</sup>	17.5%	17.7%	18.0%	18.4%	23.8%	24.0%	25.9%
LVR at origination	63.0%	63.1%	63.2%	63.4%			
90+ days past due	0.16%	0.17%	0.24%	0.20%			
Impaired loans <sup>3</sup>	0.01%	0.02%	0.09%	0.12%			
Individually assessed Impairment coverage ratio	22.6%	14.2%	18.8%	16.4%			
Loss rate <sup>4</sup>	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 severe weather events whose loans have been classified as "Restructured Loans" under APS 220 Credit Risk Management during Mar 23 to Mar 24

(4) 12 month rolling Net Write-offs / Spot Drawn Balances

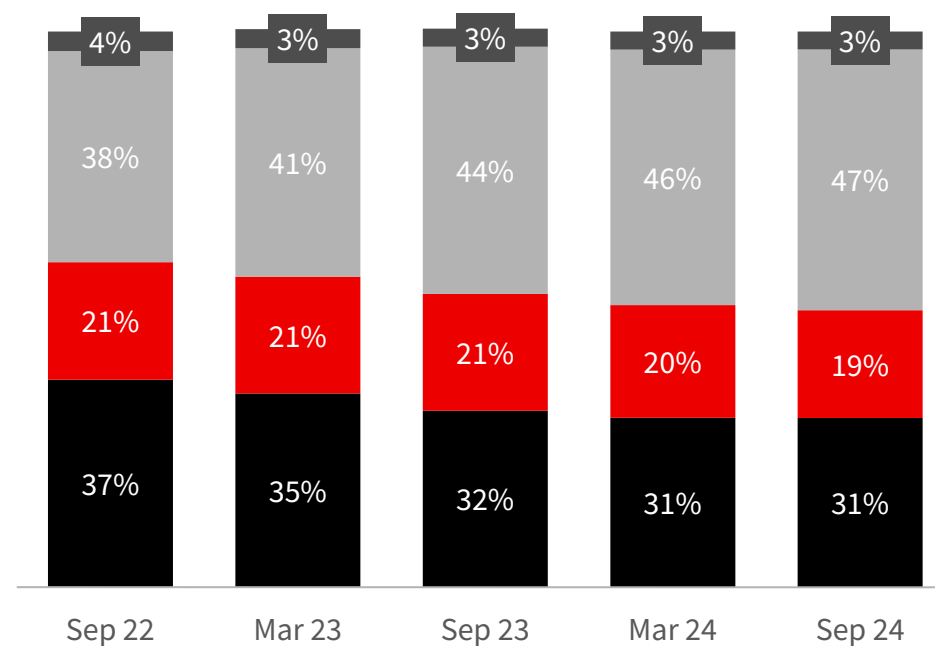
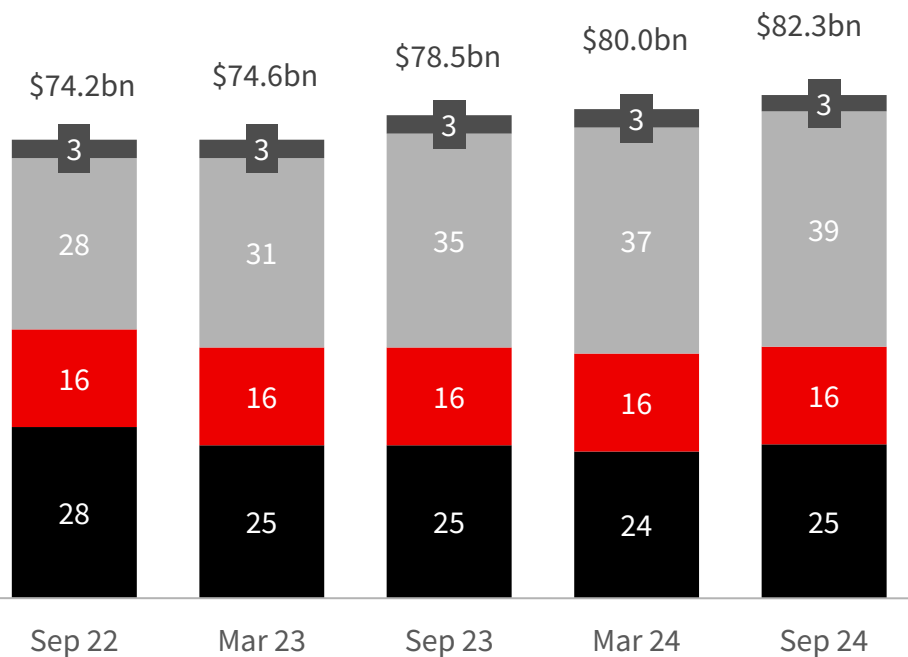
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# New Zealand customer deposits<sup>1</sup>

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

Customer deposits percentage by product (NZD)  
(%)

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■ Transaction incl NBIs ■ Savings ■ Term Deposits ■ Offset

(1) Corporate & Institutional Banking included Bank of New Zealand's Markets Trading operations up to 30 September 2023. From 1 October 2023, these operations are reported within New Zealand Banking. Comparative information has been restated accordingly

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**Additional product  
information**

Australian Housing Lending



# Housing lending key metrics<sup>1</sup>

Australian housing lending	Mar 23	Sep 23	Mar 24	Sep 24		Sep 23	Mar 24	Sep 24
	Portfolio					Drawdowns <sup>3</sup>		
Total Balances (spot) \$bn	333	338	344	353 <sup>2</sup>		40	39	38
Average loan size \$'000 per account	345	358	371	381		536	564	564
By product type								
- Variable rate	68.4%	76.8%	84.7%	89.6%		91.5%	97.5%	96.8%
- Fixed rate	28.2%	20.2%	12.6%	7.9%		7.6%	1.5%	1.8%
- Line of credit	3.4%	3.0%	2.7%	2.5%		0.9%	1.0%	1.4%
By borrower type								
- Owner Occupied	65.4%	65.3%	65.5%	65.7%		61.9%	62.3%	60.5%
- Investor	34.6%	34.7%	34.5%	34.3%		38.1%	37.7%	39.5%
By channel								
- Proprietary	52.3%	50.4%	48.6%	46.8%		35.7%	35.1%	38.9%
- Broker	47.7%	49.6%	51.4%	53.2%		64.3%	64.9%	61.1%
Interest only <sup>4</sup>	14.1%	14.7%	14.9%	15.1%		24.5%	23.8%	24.8%
Low Documentation	0.2%	0.2%	0.2%	0.1%				
Offset account balance (\$bn)	41	43	45	48				
LVR at origination	68.9%	68.7%	68.4%	68.0%		67.6%	67.6%	66.8%
Dynamic LVR on a drawn balance calculated basis	42.6 %	41.2%	39.2%	38.5%				
Customers with offset and redraw balances $\geq$ 1 month repayment <sup>4</sup>	66.4%	67.4%	68.2%	69.5%				
Offset and redraw balances multiple of monthly repayments	41.2	37.8	36.8	36.6				
90+ days past due	0.67%	0.76%	0.90%	1.08%				
Impaired loans	0.06%	0.06%	0.05%	0.05%				
Individually assessed provision coverage ratio <sup>5</sup>	28.9%	28.1%	25.6%	26.2%				
Loss rate <sup>6</sup>	0.01%	0.005%	0.01%	0.01%				
Number of properties in possession	140	151	141	144				

(1) Excludes 86 400 platform (ubank housing lending originated on the 86 400 platform). Includes Citi Consumer Business from Sep 24

(2) Includes Citi Consumer Business from Sep 24 of \$6.0bn

(3) Drawdowns is defined as new lending excluding limit increases and redraws in the previous six month period

(4) Excludes line of credit products

(5) Excludes Advantagede Individually assessed provisions from Mar 24

(6) 12 month rolling Net Write-offs / Spot Drawn Balances



# Housing lending practices & policies

## Key origination requirements

Income	<ul style="list-style-type: none"> <li>Income verified using a variety of documents including payslips and/or checks on salary credits into customers' accounts</li> <li>10% shading applies to rental income (Nov 22)</li> <li>Rental expenses included in serviceability calculation post-household expenses calculation. Rental expenses floor set at minimum 10% of rental income (Mar 23)</li> <li>20% shading applies to other less certain income types</li> </ul>
Household expenses	<p>Assessed using the greater of:</p> <ul style="list-style-type: none"> <li>Customers' declared living expenses, enhanced in 2016 to break down into granular sub categories</li> <li>Household Expenditure Measure (HEM) benchmark plus specific customer declared expenses (e.g. private school fees). HEM is adjusted by income and household size</li> </ul>
Serviceability	<ul style="list-style-type: none"> <li>Assess customers' ability to repay based on the higher of the customer rate plus serviceability buffer (3.0%<sup>1</sup>) or the floor rate (5.75%<sup>2</sup>)</li> <li>Assess Interest Only loans on the full remaining Principal and Interest term</li> <li>Lowered serviceability buffer to 1% for customers who meet certain criteria (Jul 23)</li> </ul>
Existing debt	<ul style="list-style-type: none"> <li>Verify using declared loan statements and assess on the higher of the customer rate plus serviceability buffer (3.0%<sup>1</sup>) or the floor rate (5.75%<sup>2</sup>)</li> <li>Assessment of customer credit cards assuming repayments of 3.8% per month of the limit</li> <li>Assessment of customer overdrafts assuming repayments of 3.8% per month of the limit</li> </ul>

## Loan-to-value (LVR) limits

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

## Other policies

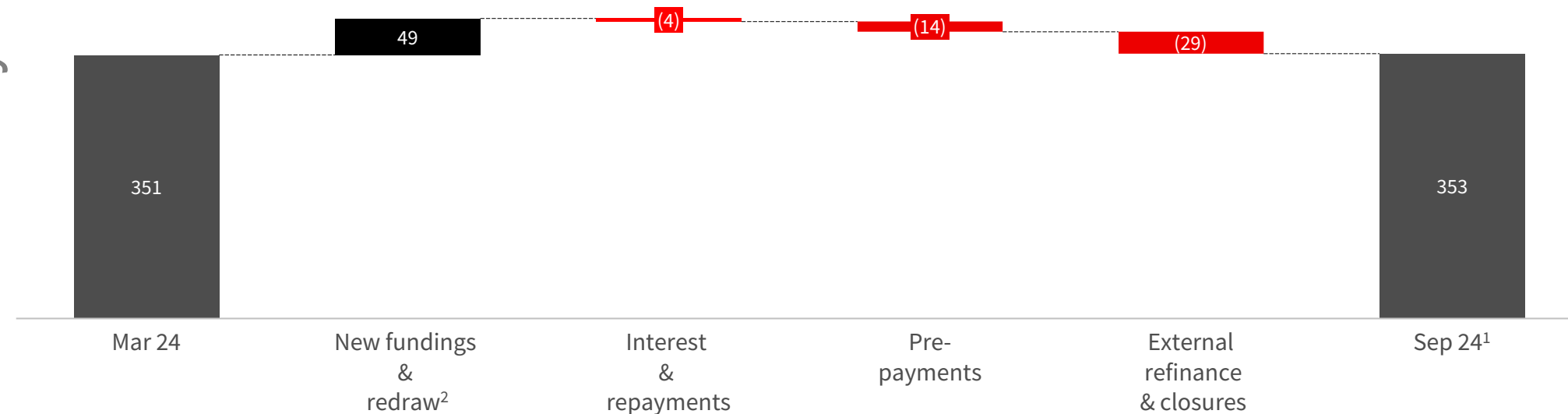
- DTI decline rule of >8x from May 22 for higher risk customers (> 9x for all others)
- Lenders' mortgage insurance (LMI) applicable for majority of lending >80% LVR
- LMI for inner city investment housing >70% LVR
- Apartment size to be 50 square metres or greater (including balconies and car park)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

(1) Serviceability buffer increased by 0.50% to 3.00% as of 1 November 2021

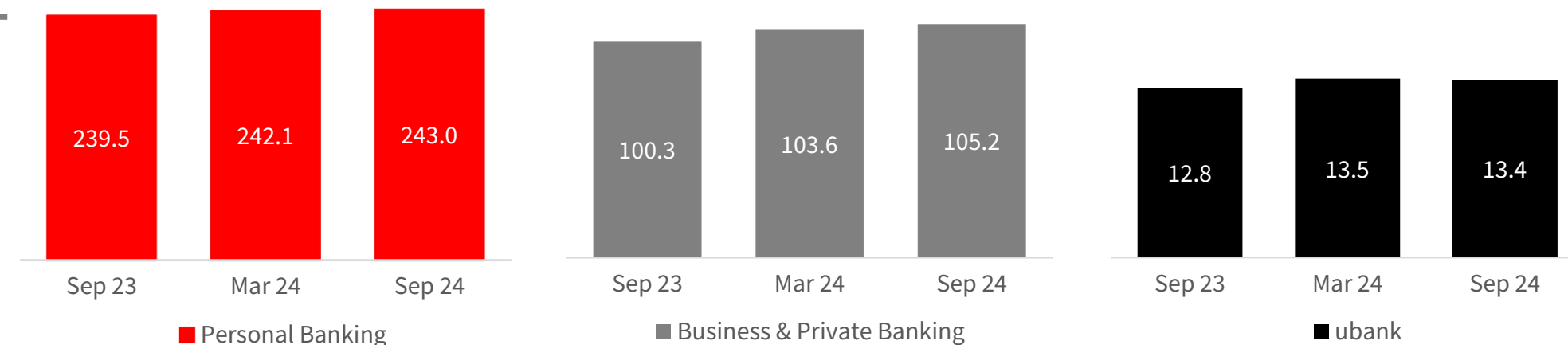
(2) Serviceability floor increased by 0.80% to 5.75% as of 9 September 2022

# Housing lending volume and flow movements

Housing lending flow movements<sup>1</sup>  
(\$bn)



Housing lending by division<sup>2,3</sup>  
(\$bn)



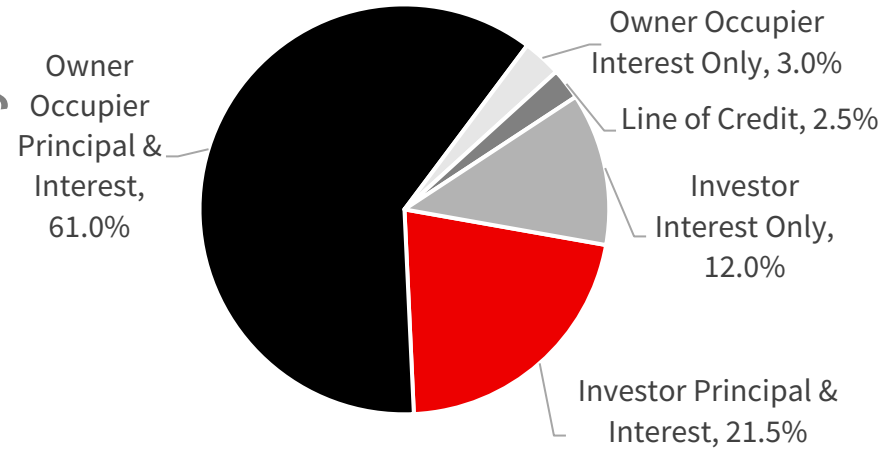
(1) Excludes 86 400 platform. Includes Citi Consumer Business from Sep 24 (Citi balances of \$6.0b)

(2) Includes redraws, limit increases and line of credit product

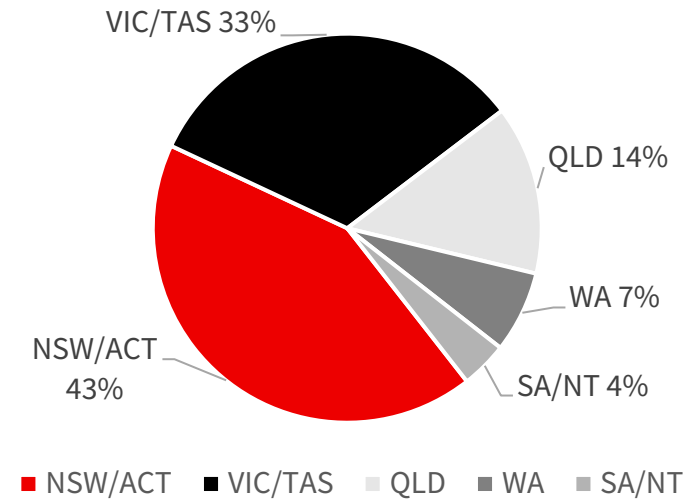
(3) During the year ended 30 September 2024, some customer lending and deposit portfolios were transferred between Personal Banking and Business & Private Banking. Comparative information has been restated accordingly

# Housing lending portfolio profile

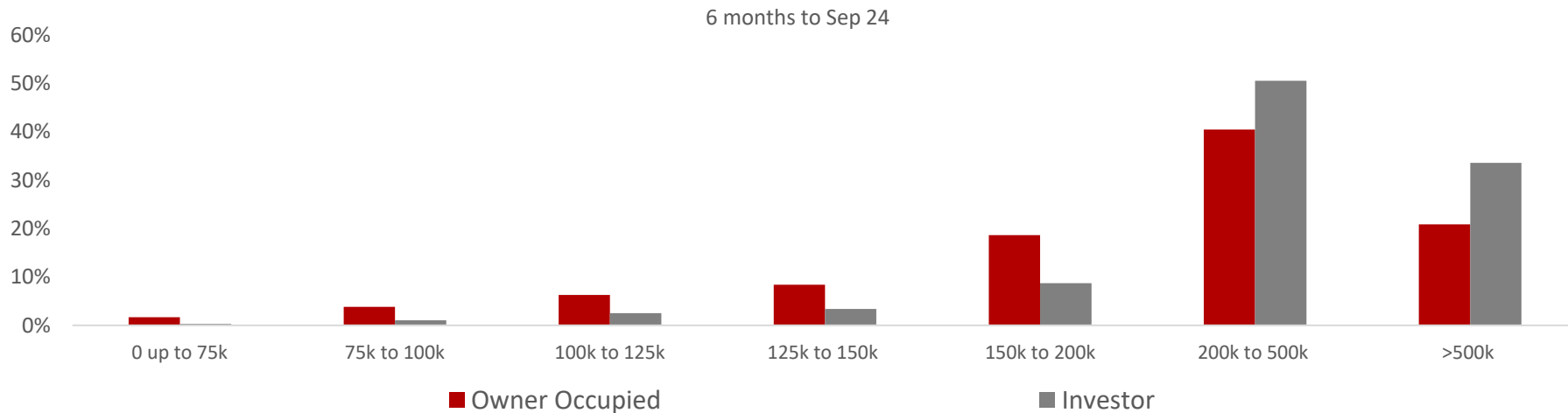
Housing lending volume by borrower and repayment type<sup>1</sup>



Australian mortgages profile<sup>1</sup>



Application gross income band<sup>2</sup>



(1) Excludes 86 400 platform

(2) Excludes applications which were manually decided including more complex lending and applications such as those involving trusts and companies, multiple securities etc

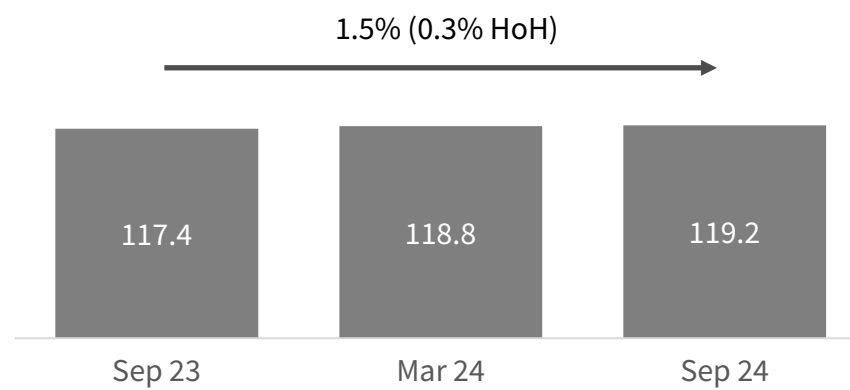
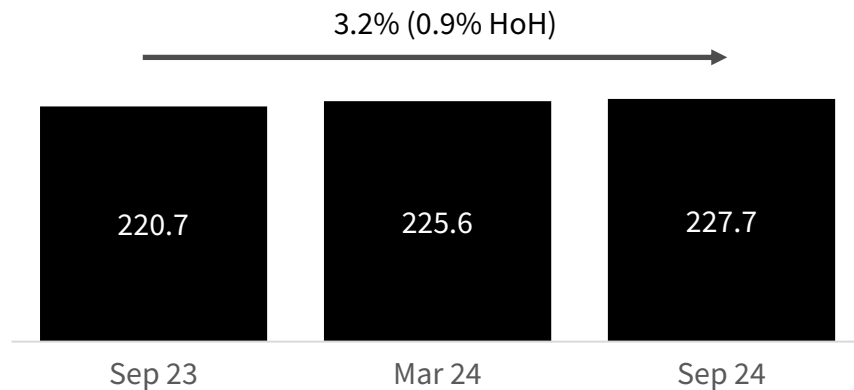
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# Housing lending portfolio profile

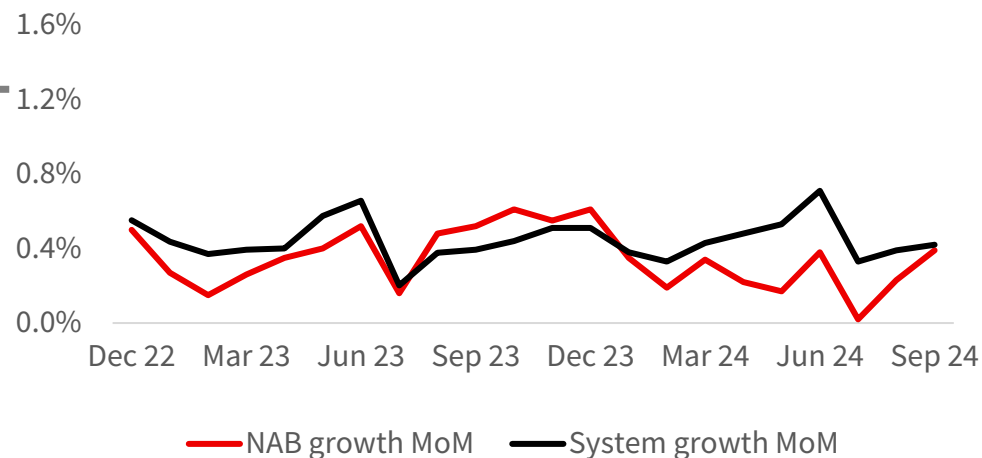
**Owner occupied lending volume growth<sup>1</sup>**  
(\$bn)

**Investor lending volume growth<sup>1</sup>**  
(\$bn)

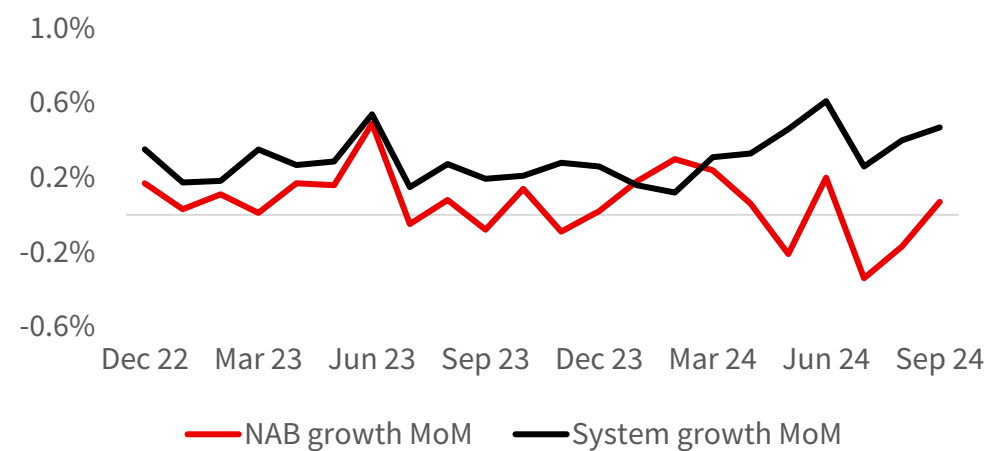
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**Owner Occupier monthly growth<sup>2</sup>**



**Investor monthly growth<sup>2</sup>**

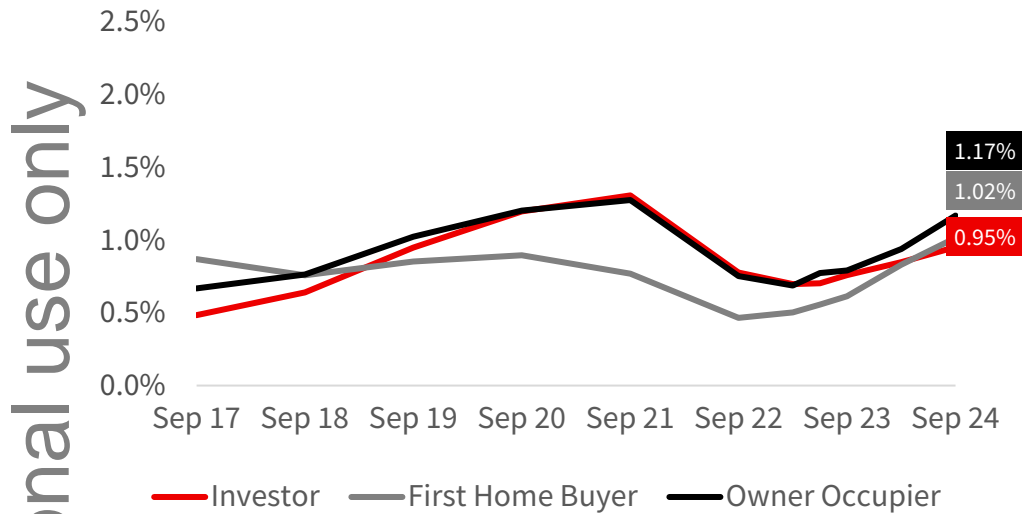


(1) Excludes 86 400 platform and Citi Consumer Business

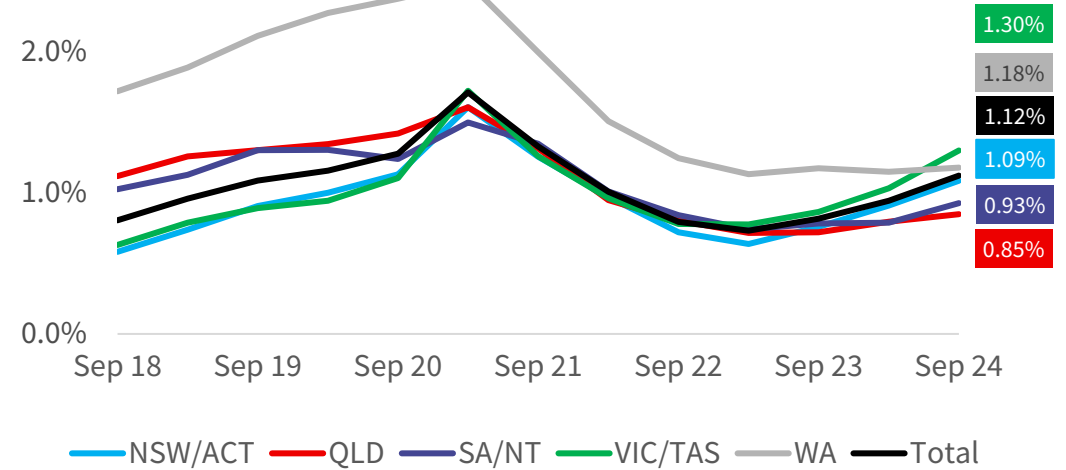
(2) Only includes housing loans to households based on APRA ARF 720.1 reporting definitions, and excludes counterparties such as private trading corporations

# Housing lending arrears profile<sup>1</sup>

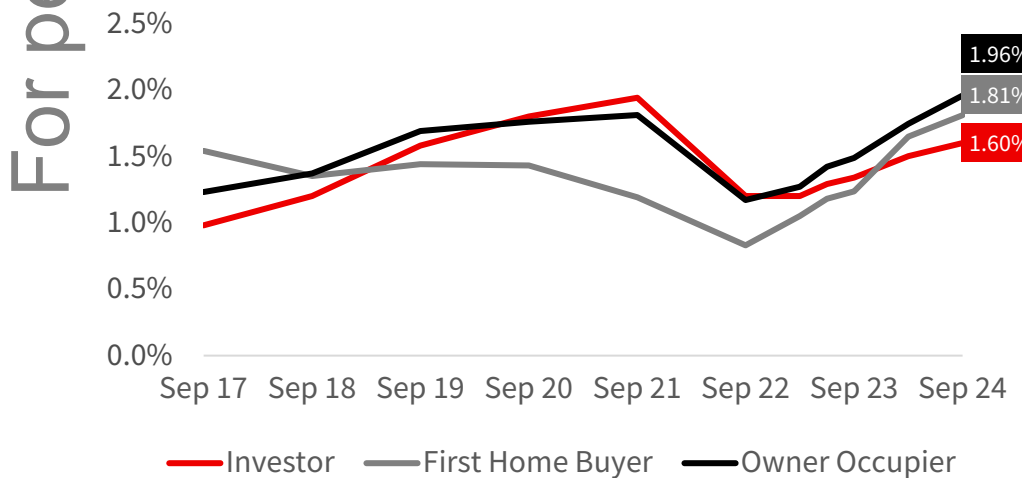
## 90+ DPD as a % of GLAs by purpose



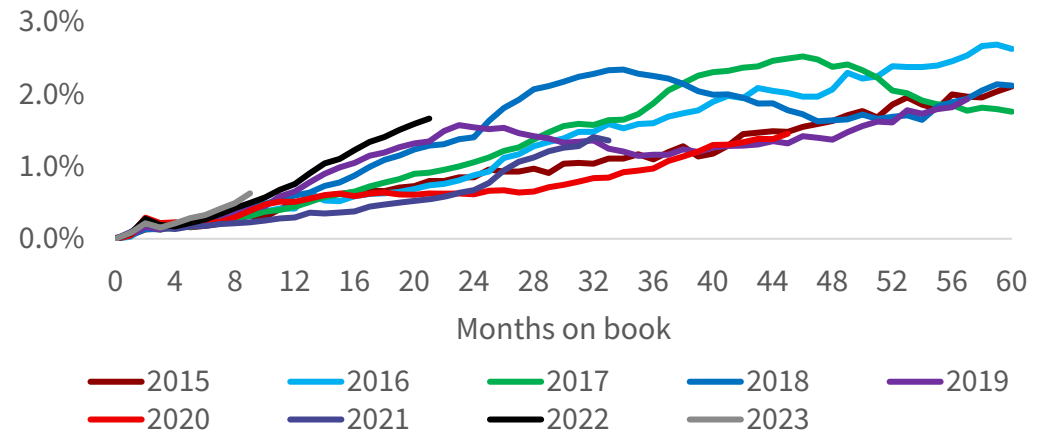
## 90+ DPD & GIAs as a % of GLAs



## 30+ DPD as a % of GLAs by purpose



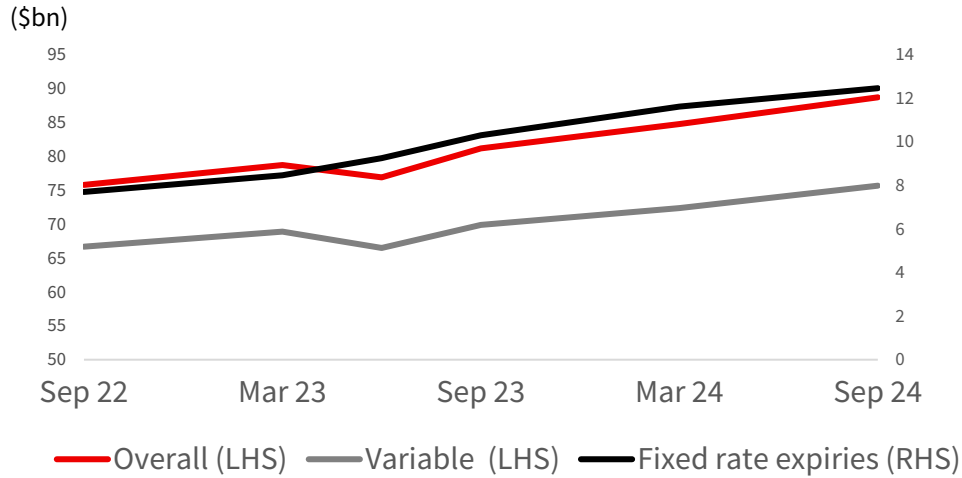
## 30+ DPD as a % of GLAs by vintage year<sup>2</sup>



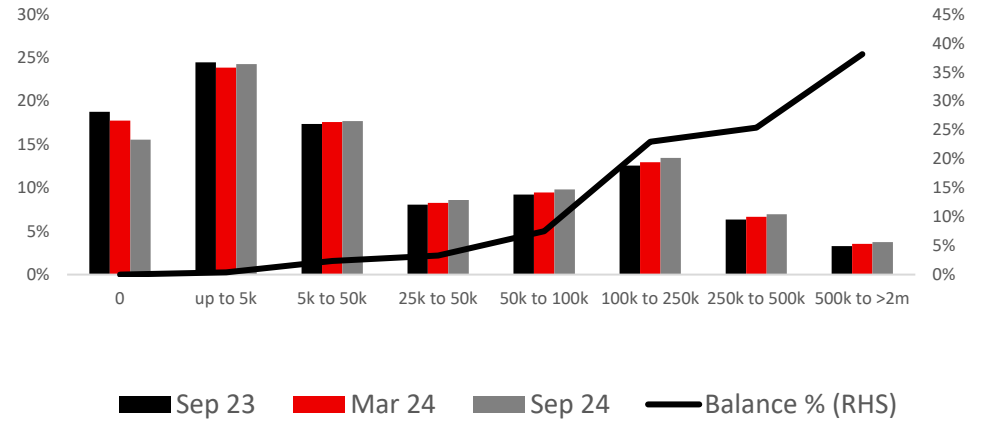
(1) Excludes 86 400 platform. Includes Citi Consumer Business from Sep 24  
 (2) Calendar year

# Housing lending offset and redraw balances<sup>1</sup>

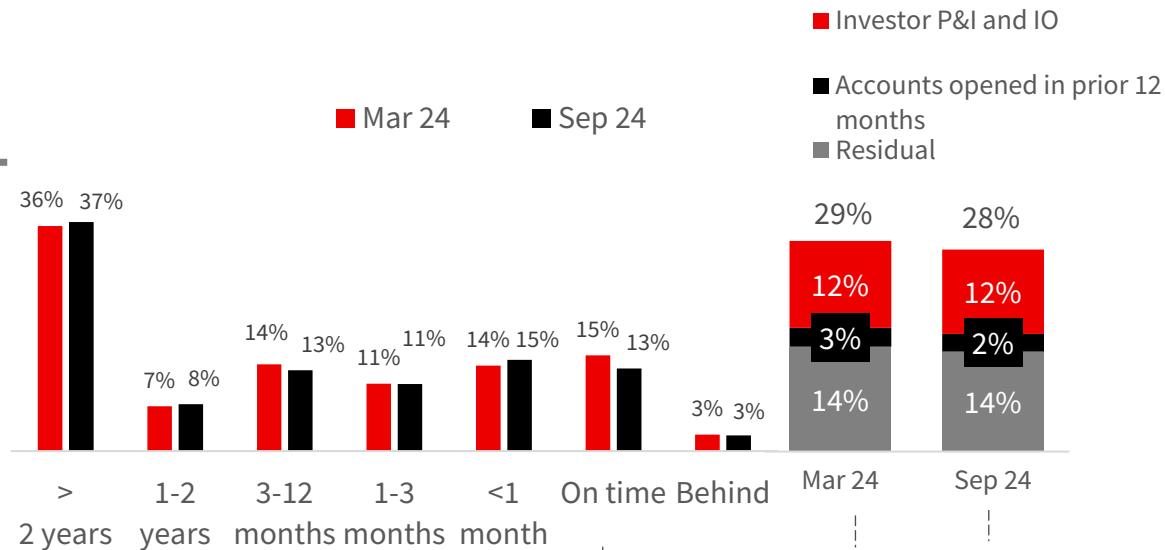
## Offset & redraw balances



## Offset & redraw balances distribution by number of accounts



## Offset and redraw balances, by monthly repayments<sup>2</sup>



## Scenario analysis to identify higher risk exposures

	Dynamic LVR with no LMI or FHB guarantee		
	> 80%	of which >85%	of which >90%
<b>Repayment buffer &lt; 3 months (Total \$144bn)<sup>3</sup></b>	\$8.0bn	\$2.5bn	\$0.8bn

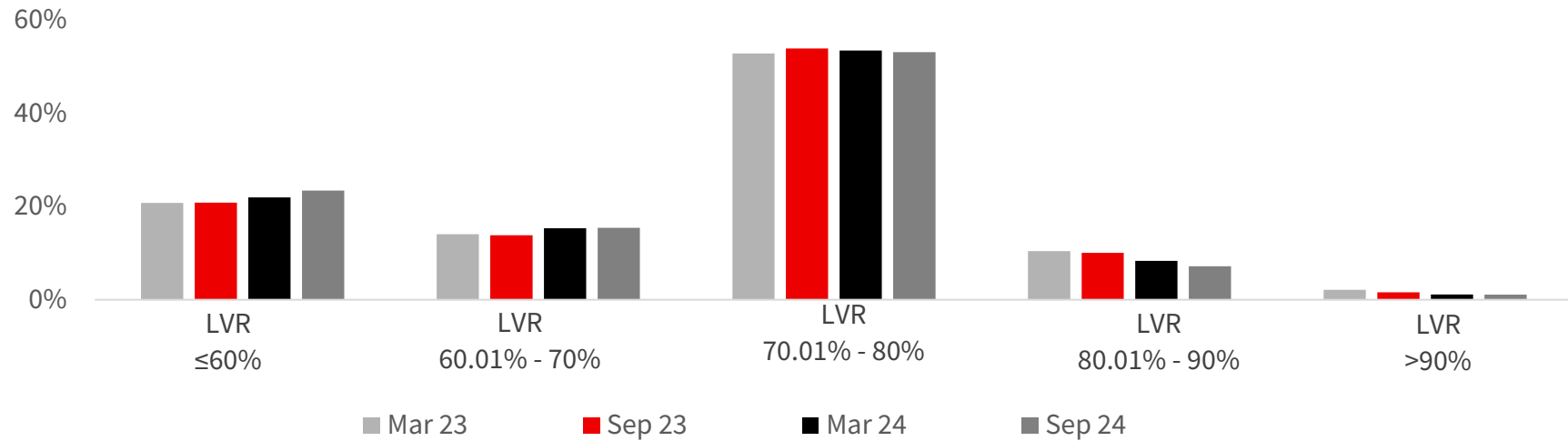
(1) Excludes 86 400 platform. Includes Citi Consumer Business from Sep 24

(2) By accounts

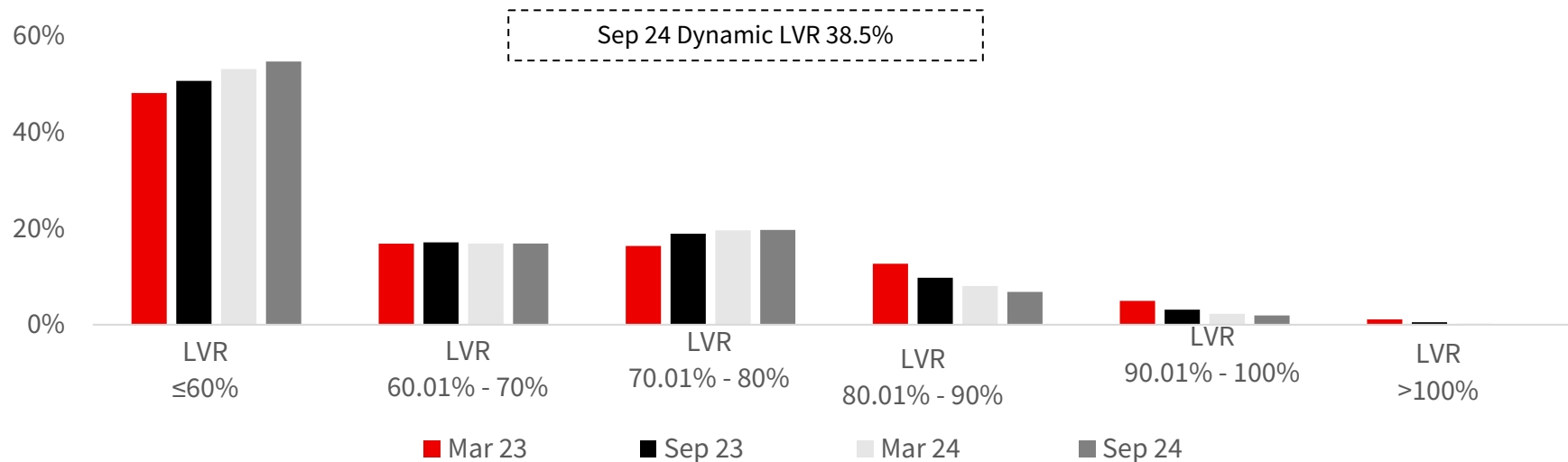
(3) Repayment buffer < 3 months refers to balances where the sum of offset and redraw amounts is less than a three month multiple of monthly repayments

# Housing lending LVR<sup>1</sup>

## LVR breakdown at origination



## Dynamic LVR breakdown of drawn balance<sup>2</sup>



(1) Excludes 86 400 platform. Includes Citi Consumer Business from Sep 24

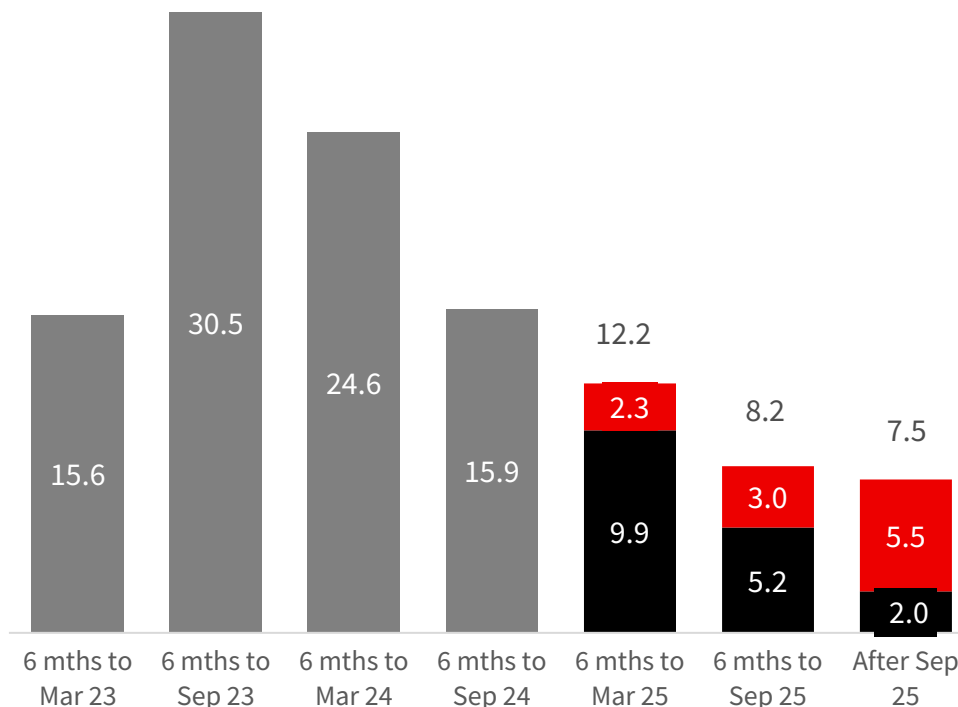
(2) Excludes the impact of offset accounts. Includes implementation of new CoreLogic indexing methodology in 1H24

# Housing lending fixed rate portfolio profile<sup>1</sup>

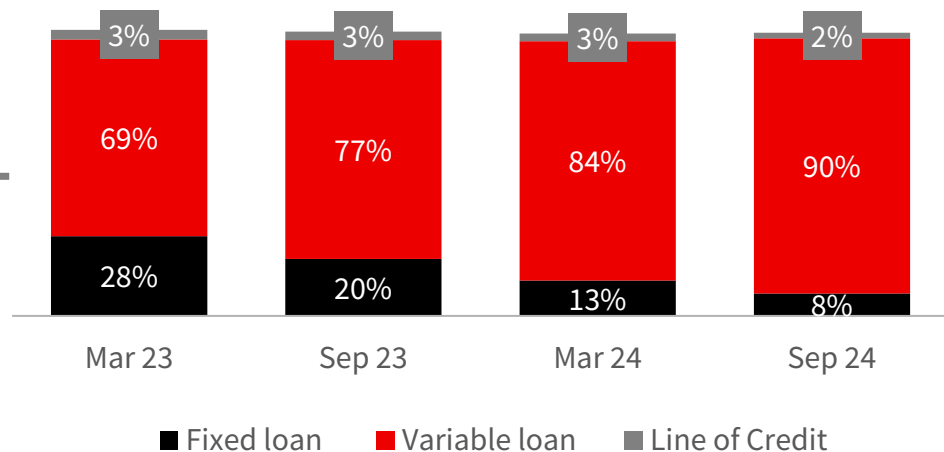
## Fixed rate (FR) lending book

- \$28bn FR book at Sep 24, rolls to variable rate (VR) loan at expiry
- ~\$17bn (~61%) has customer rates below 3%, and only \$7.5bn still to expire after Sep 25
- ~85% retention for customers rolling off FR loans to date
- 56% of customers also have a VR loan i.e. split loan

## FR home loan contractual expiry profile (\$bn)



## Loan product by type



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(1) Excludes 86 400 platform. Includes Citi Consumer Business from Sep 24



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**Additional product  
information**

Australian Deposits

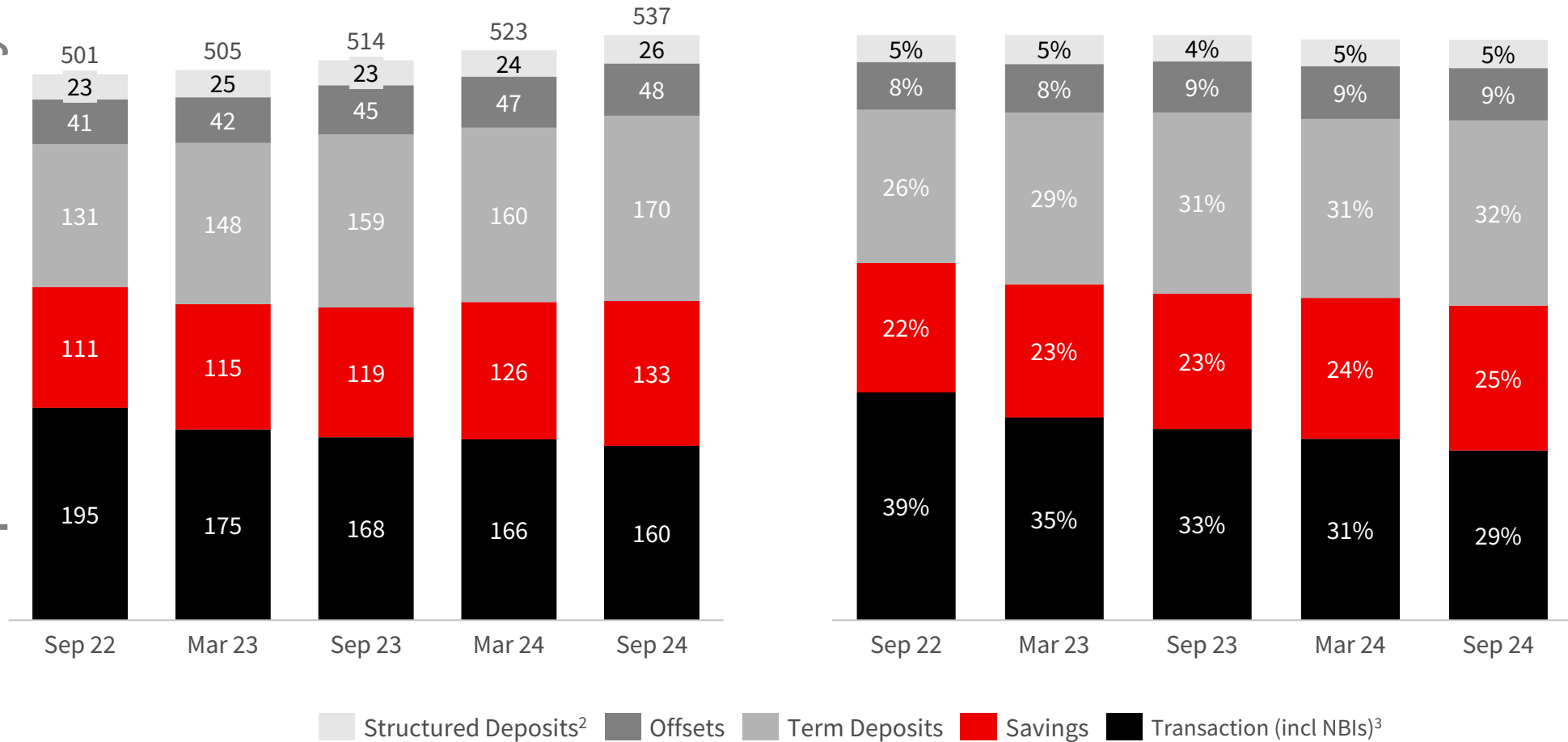


# Deposits & transaction accounts<sup>1</sup>

Customer deposit mix by product  
(\$bn)

Customer deposit percentage by product  
(%)

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(1) During the year ended 30 September 2024, some customer lending and deposit portfolios were transferred between Personal Banking and Business & Private Banking. Comparative information has been restated accordingly  
 (2) Structured deposits have notice periods which extend their behavioural maturity beyond their initial contractual maturity and pricing construct. They include Rolling Deposit Accounts, Retail Look Through and Notice Saver deposits  
 (3) Transaction includes NBIs and Custody deposits

# Deposits & transaction accounts

## Business & Private Banking<sup>1</sup>

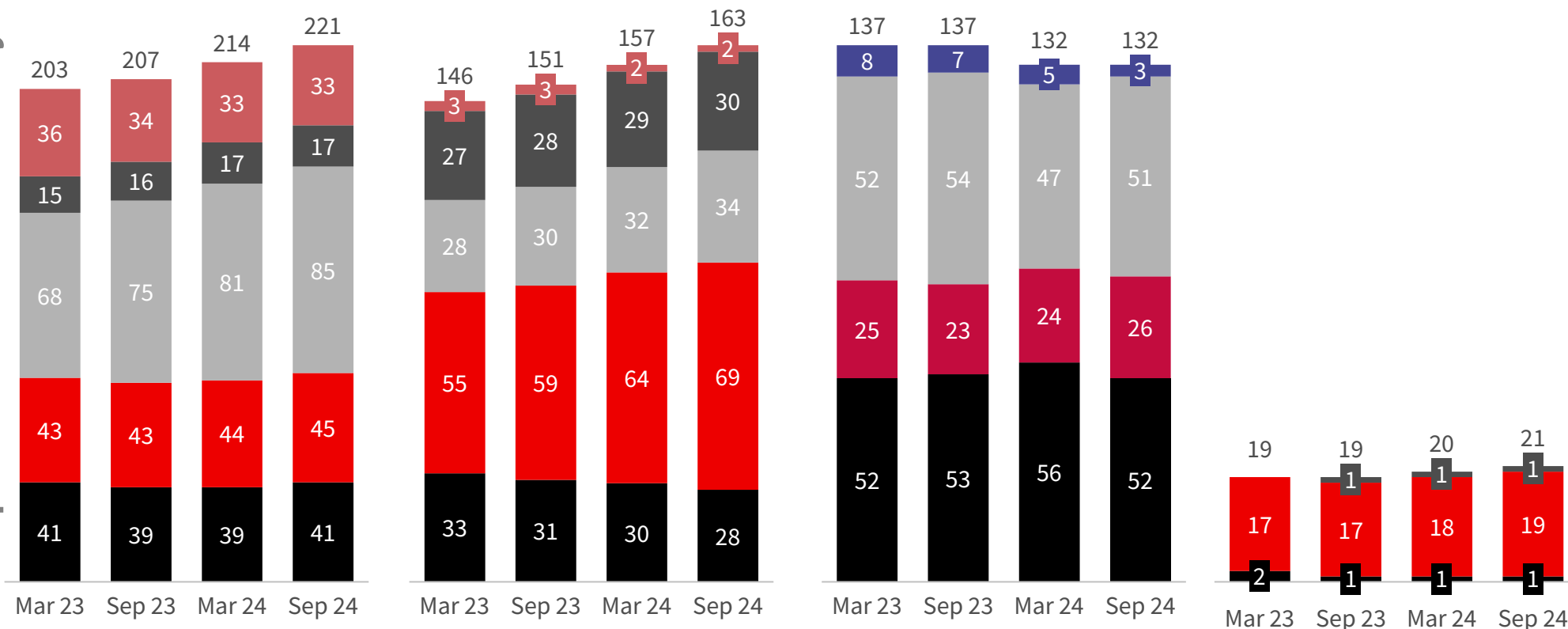
(\$bn)

## Personal Banking<sup>1</sup>

## Corporate & Institutional Banking<sup>2</sup>

## Corporate Functions & Other<sup>3</sup>

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■ NBI   
 ■ Offset   
 ■ Savings   
 ■ Transaction  
■ Custody<sup>4</sup>   
 ■ Term Deposits   
 ■ Structured Deposits<sup>5</sup>

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

(2) Corporate & Institutional Banking included Bank of New Zealand's Markets Trading operations up to 30 September 2023. From 1 October 2023, these operations are reported within New Zealand Banking. Comparative information has been restated accordingly. Transaction balances include NBIs of \$1bn at Sep 24, \$2bn at Mar 24, \$2bn at Sep 23 and \$2bn at Mar 23

(3) Includes ubank and Treasury

(4) At Sep 24 the NAB Asset Servicing business includes total deposits of approximately \$4bn, of which \$3bn relates to custody deposits. This business is being wound down over approximately three years from Nov 22

(5) Structured deposits have notice periods which extend their behavioural maturity beyond their initial contractual maturity and pricing construct. They include Rolling Deposit Accounts, Retail Look Through and Notice Saver deposits

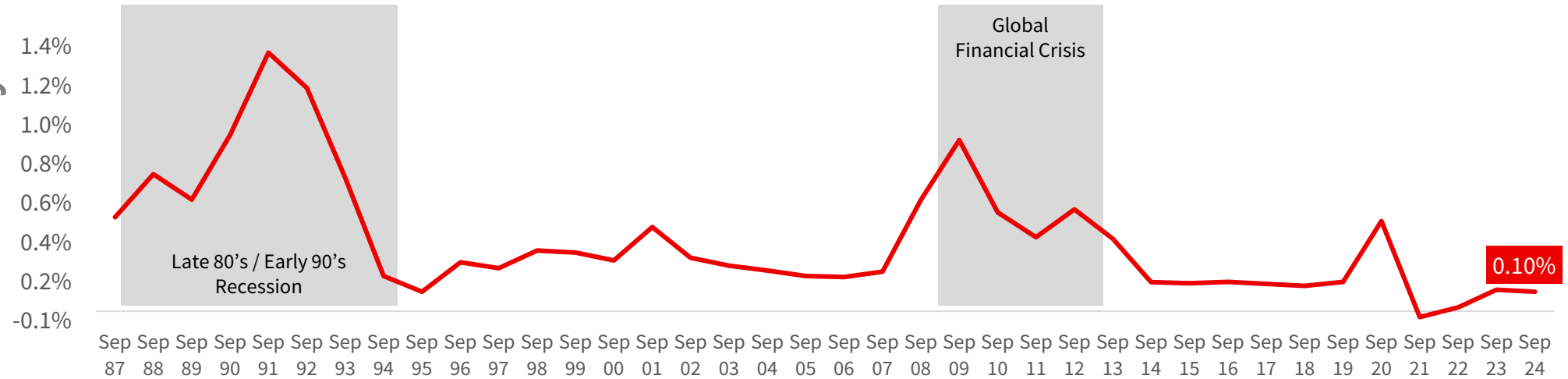
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**Additional information**

Group Asset Quality

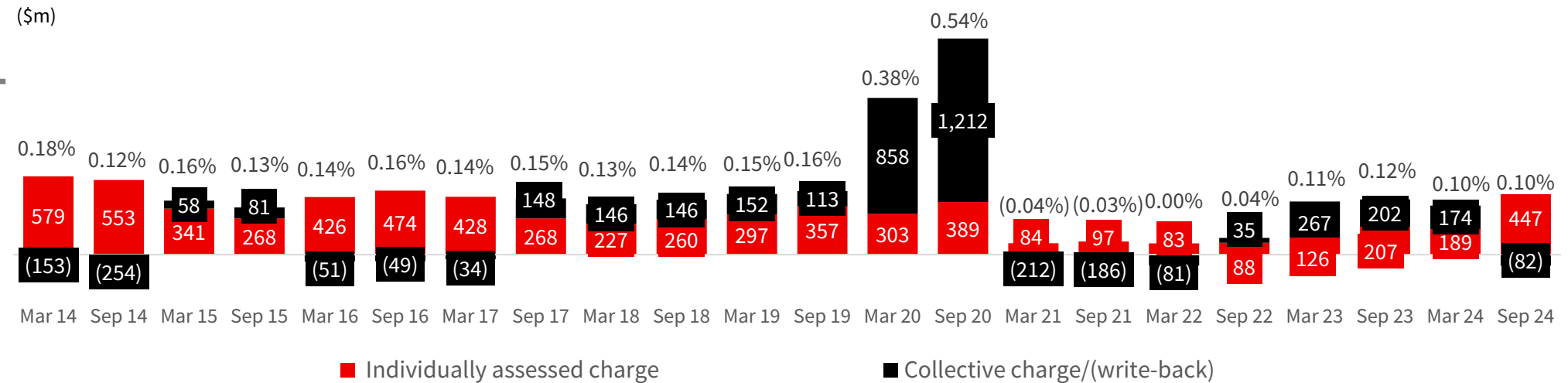


# Group credit impairment charge

## Credit impairment charge as % of GLAs



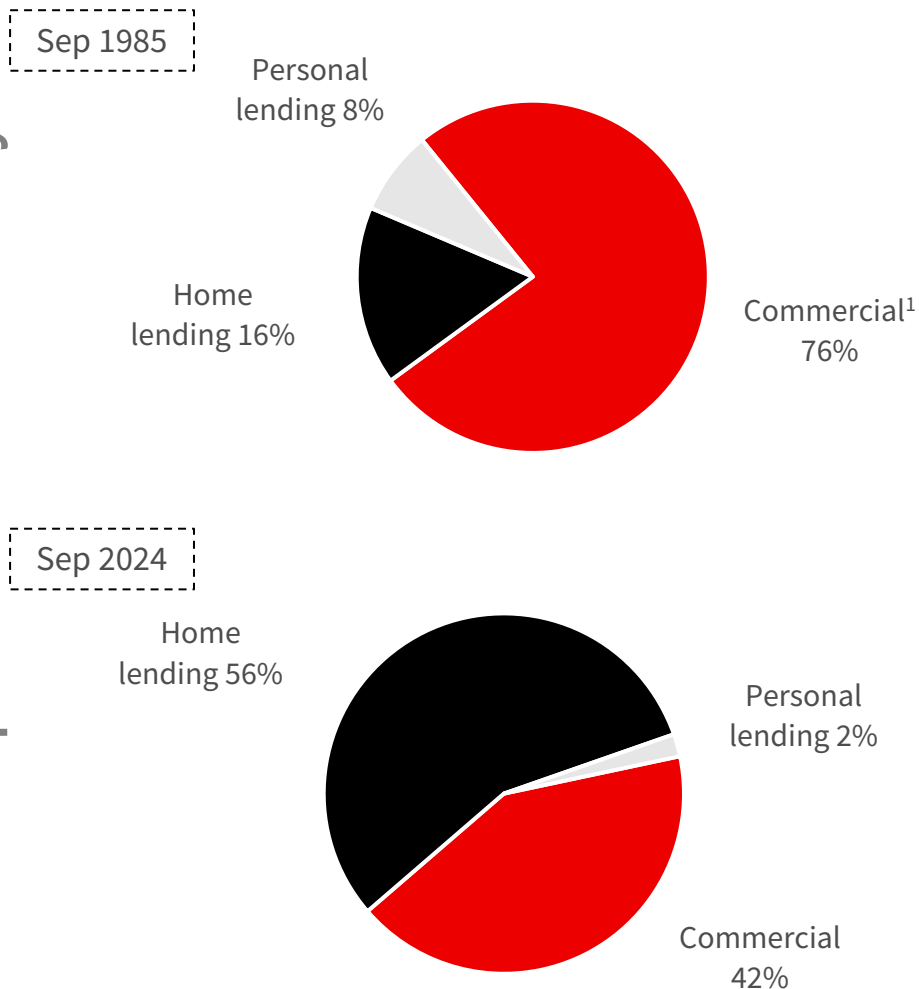
## Credit impairment charge and as a % of GLAs<sup>1</sup>



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

# Group estimated long run loan loss rate

## Group business mix - GLAs by category



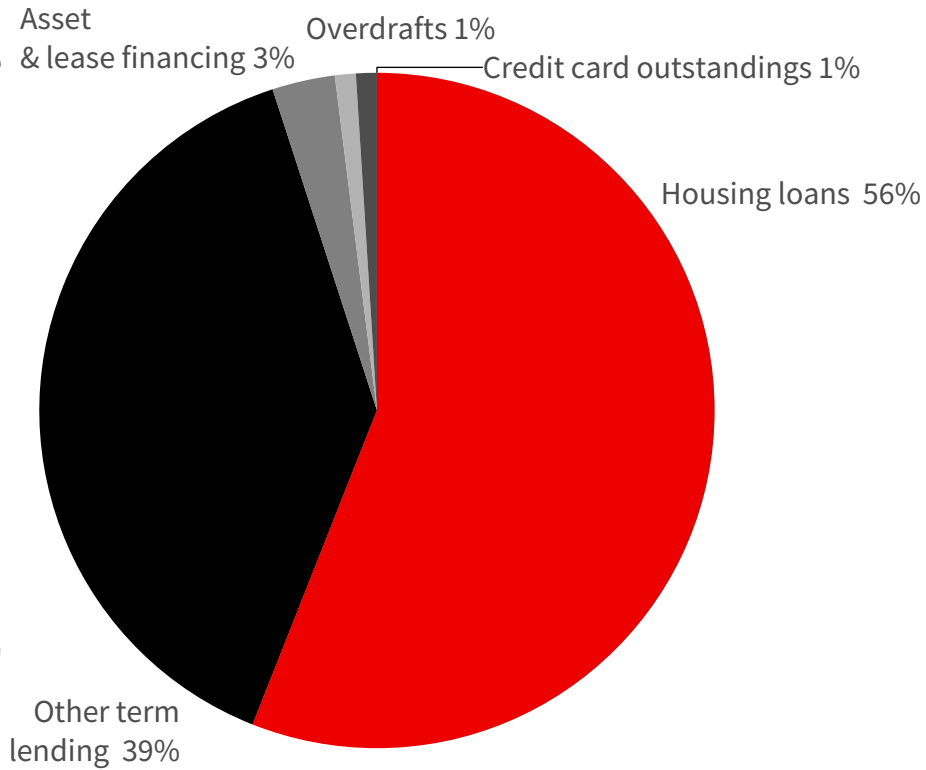
## Estimating long run loan loss rate

NAB Australian geography net write off rates as a % of GLAs	Long run average (1985 - 2024 <sup>2</sup> )	Long run average (2005 - 2024 <sup>2</sup> )
Home lending <sup>3</sup>	0.03%	0.03%
Personal lending <sup>3,4</sup>	1.55%	2.27%
Commercial <sup>3</sup>	0.48%	0.34%
Australian average	0.30%	0.19%
Group average <sup>5</sup> based on 2024 business mix	0.24%	0.19%
Group average <sup>5</sup> based on 2024 business mix (excluding 1991-1993 and 2009-2012)	0.16%	n/a
Group average <sup>5</sup> based on 2024 business mix (excluding 2009-2012)	n/a	0.13%

- (1) For 1985 Group business mix, all overseas GLAs are allocated to Commercial category
- (2) Data used in calculation of net write off rate as a % of GLAs is based on NAB's Australian geography and sourced from NAB's U.S. Disclosure Document (2021 - 2024), NAB's Supplemental Information Statements (2007 - 2020) and NAB's Annual Financial Reports (1985 - 2006)
- (3) Home lending represents "Real estate - mortgages" category; Personal lending represents "Instalment loans to individuals and other personal lending (including credit cards)" category; Commercial represents "all other industry lending categories" as presented in the source documents as described in note 2 above
- (4) Personal lending net write off rate since 2008 is above long run average of 1.55% (1985 - 2024) or 2.27% (2005 - 2024). Average net write off rate 2008 - 2024 is 2.41%
- (5) Group average is calculated by applying each of the Australian geography long run average net write off rates by product to the respective percentage of Group GLAs by product as at 30 September 2024. Commercial long run average net write off rate has been applied to acceptances

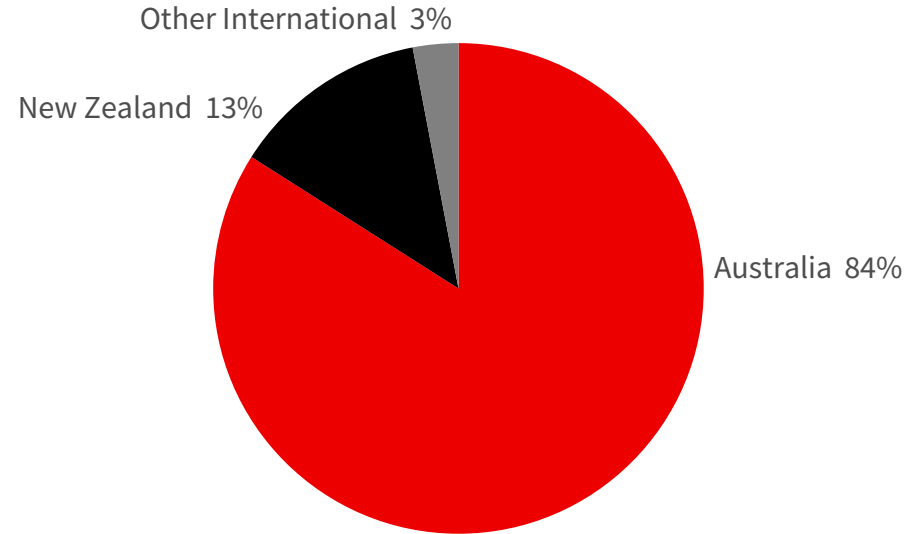
# Group lending mix

Gross loans and acceptances by product - \$738.2bn

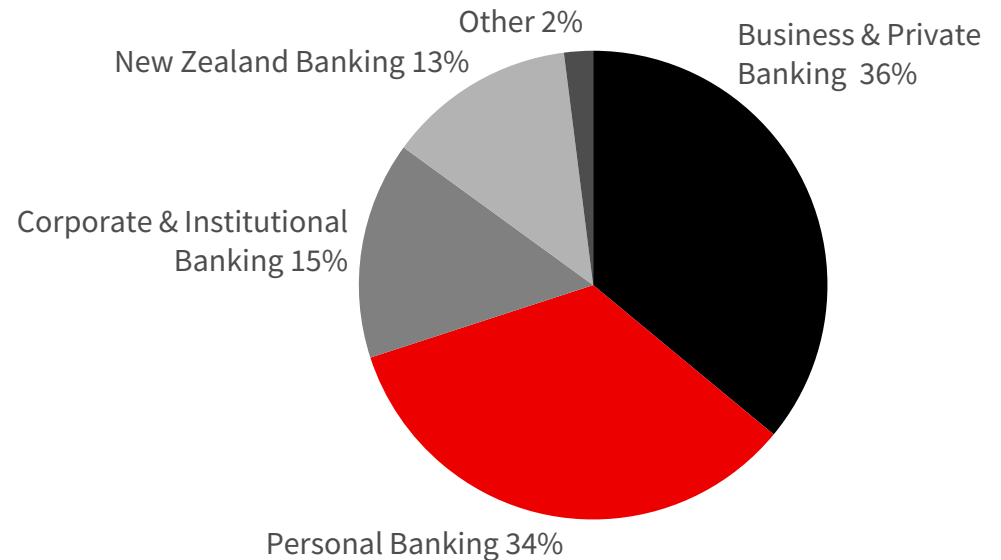


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Gross loans and acceptances by geography<sup>1</sup>



Gross loans and acceptances by business unit

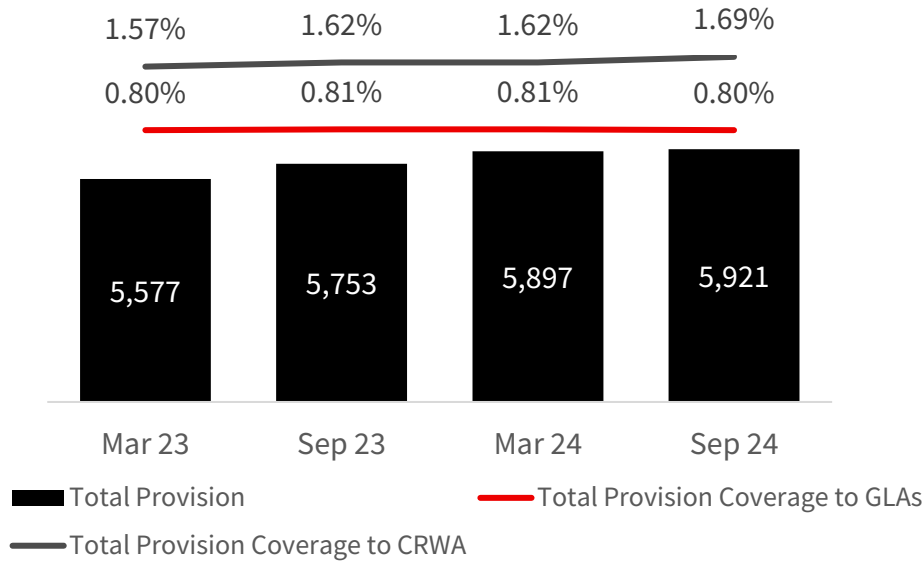


(1) Based on booking office where transactions have been recorded

# Group provisions

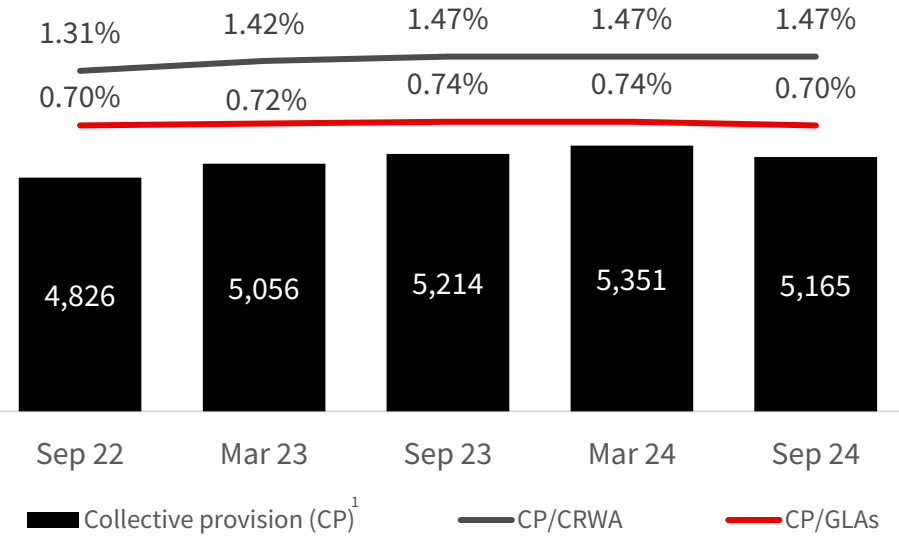
## Total provision

(\$m)



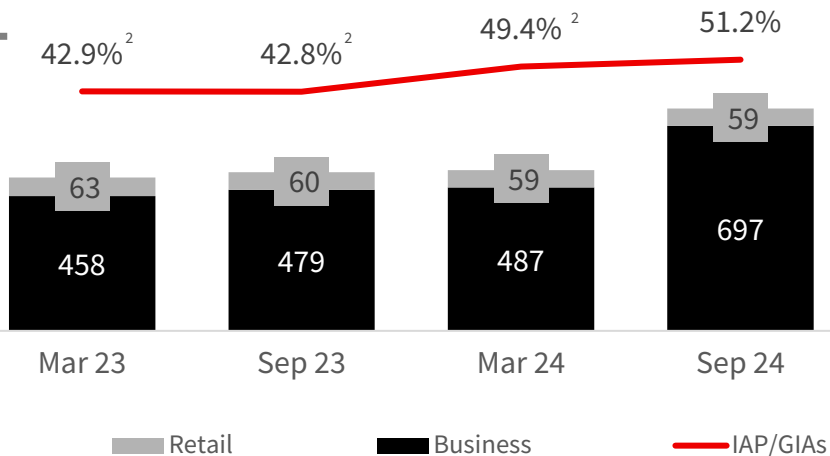
## Collective provision

(\$m)



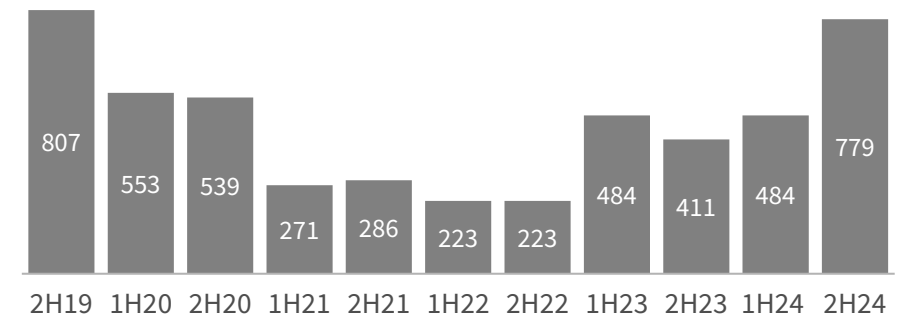
## Individually assessed provision (IAP)

(\$m)



## New impaired assets

(\$m)



(1) Collective provision for Mar 24 and prior figures includes amounts for collective provisions on derivatives at fair value

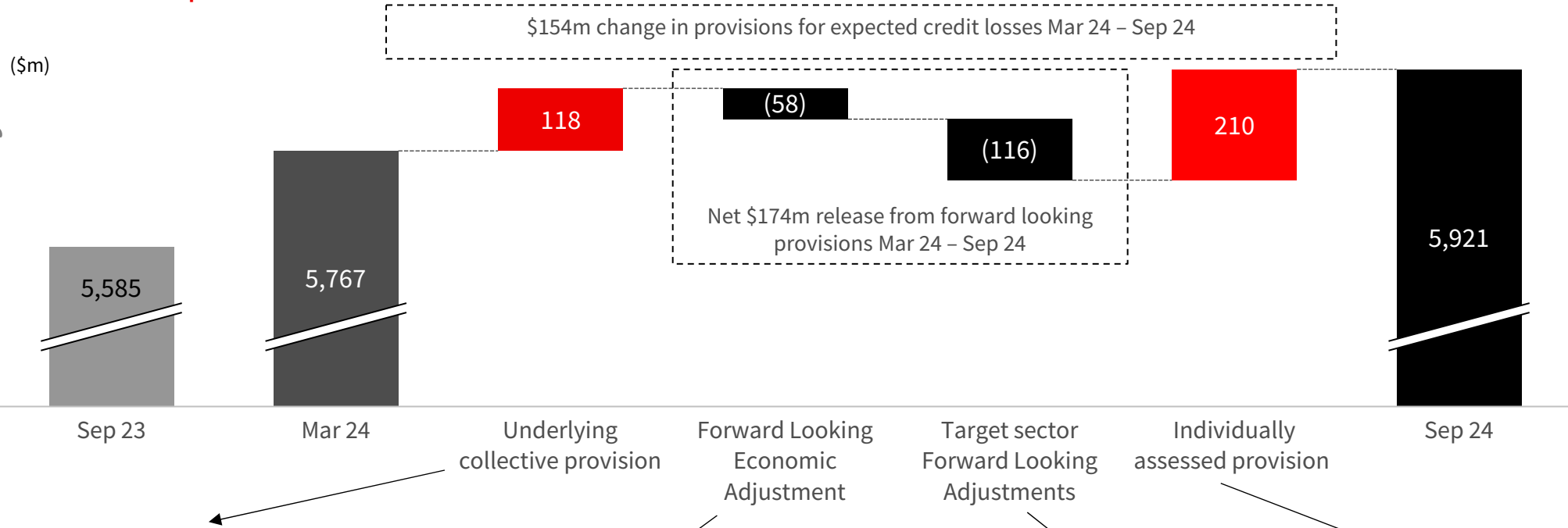
(2) Excluding the impact of NZ exposures affected by severe weather events classified as "Restructured loans" the IAP/GLAs would be 50.1% at March 2024 (September 2023: 54.4%; March 2023: 51.1%). Collective provisions were held against these loans

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# Provisions

## Movement in provisions<sup>1</sup>



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### Underlying CP

- Model outcomes based on point-in-time data
- 2H24 increase mainly reflects deterioration in asset quality, partly offset by model changes

### 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)
- 2H24 EA decrease of \$58m reflecting credit deterioration in underlying outcomes combined with a 2.5% reduction in the downside scenario weight and the impact of methodology refinements

### Target sector FLAs

- Considers forward looking stress incremental to EA
- Net \$116m decrease in target sector FLAs including releases from Australian mortgages, Construction and discretionary spending related industries

### IAP

- Provision for loss where realisable security value is less than defaulted exposure value
- \$210m increase in 2H24 mainly related to B&PB business lending including a small number of larger customers

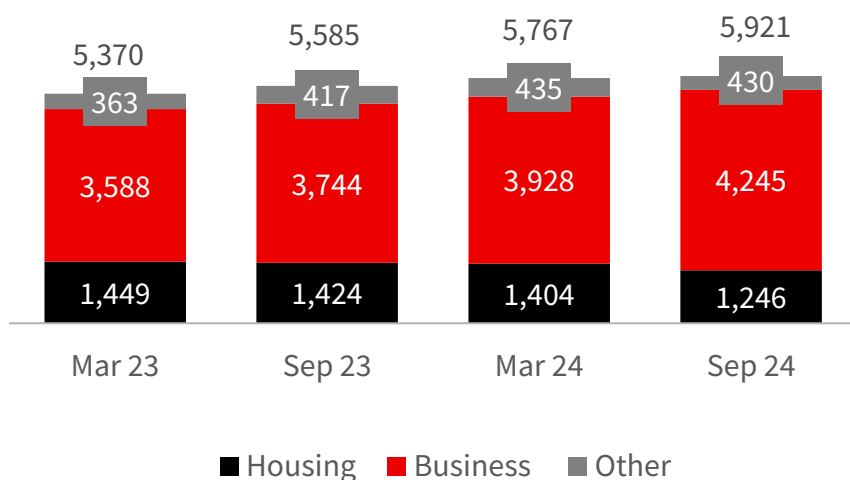
(1) Excludes provisions on fair value loans and derivatives for Mar 24 and prior periods

# Expected Credit Losses (ECL) assessment

## ECL scenarios & weightings

Total Provision for ECL <sup>1,2,3</sup>			
\$m	2H24 (probability weighted)	100% Base case	100% Downside
Total Group	5,921	4,116	8,333
Increase/ (decrease) from Mar 24	154	226	254
Macro economic scenario weightings			
Australian Portfolio (%)	Upside	Base case	Downside
31 Mar 24	2.5	52.5	45.0
30 Sep 24	2.5	55.0	42.5

## Total provision for expected credit losses<sup>1</sup> (\$m)



## Key considerations

- Increase in ECL vs Mar 24 primarily reflects deterioration in asset quality, partially offset by a net release of \$174m from forward looking provisions:
  - EA includes the impact of methodology refinements combined with a decrease of 2.5% in the downside scenario weight; little change to economic assumptions
  - Net release of FLAs relating to Australian Mortgages, Construction and discretionary related industries
- NAB holds \$2,139m in provisions above the 100% base case, after excluding \$334m in FLA balances from the 100% base scenario

## Economic assumptions

Australian economic assumptions used in deriving ECL <sup>2</sup>						
%	Base case			Downside		
	FY25	FY26	FY27	FY25	FY26	FY27
GDP change YoY	2.3	2.1	2.3	(1.2)	(2.6)	2.8
Unemployment	4.5	4.5	4.4	4.7	7.9	9.1
House price change YoY	3.9	3.0	3.0	(24.5)	(20.3)	5.5

(1) ECL excludes provisions on fair value loans and derivatives for Mar 24 and prior periods

(2) Scenarios, prepared for purposes of informing forward looking provisions, rely on NAB Economics modelling at August 2024 and management judgement

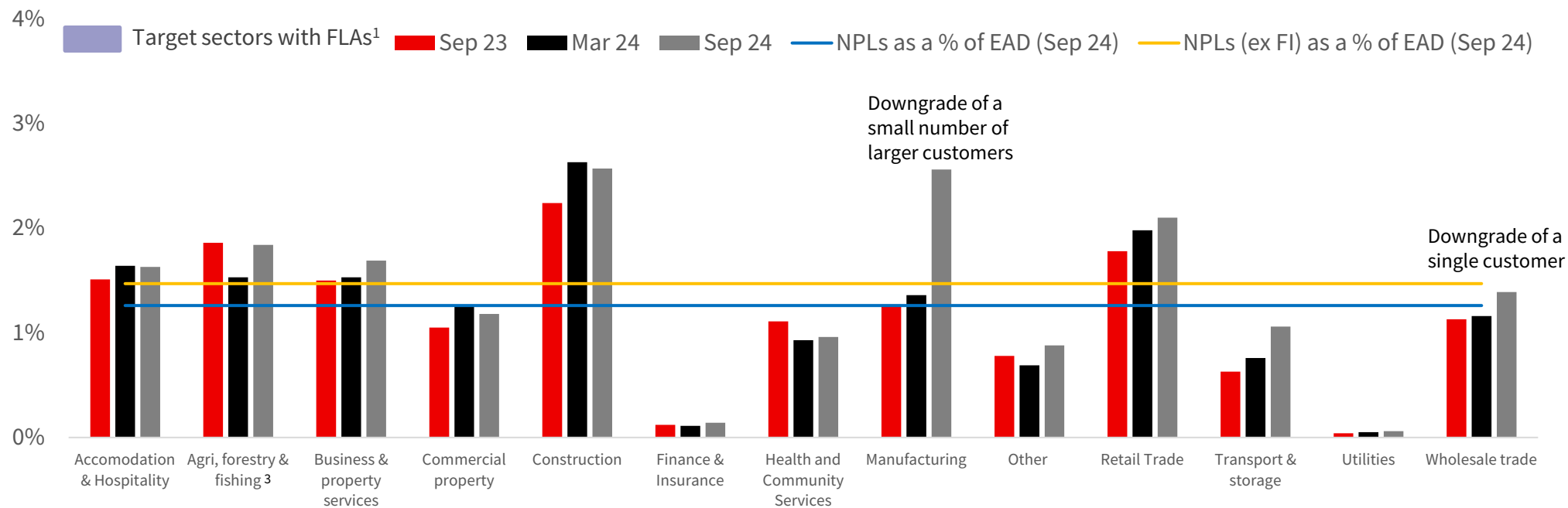
(3) 100% base case, 100% downside and probability weighted scenario all include \$334m of FLAs

# Group non retail lending industry sector analysis

## Key considerations

- Challenging macro environment, broad-based deterioration across industries
- Sep 24 NPL ratios overweight Business & Private Banking exposures and target sectors with FLAs<sup>1</sup>
- Recent deterioration most evident in:
  - Construction, Australian Agri and discretionary spending related industries
  - Stress in supply chains (particularly food-related) impacting manufacturers, wholesalers, transport, restaurants & pubs

## Non-performing exposures (NPLs) as % of lending EAD by regulatory industry categories<sup>2</sup>



Industry % of non retail lending EAD	3%	16%	6%	22%	4%	15%	4%	5%	6%	4%	6%	4%	5%
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(1) Target sectors with FLAs refers to non-retail sectors with an FLA provision relating to Australian exposures: Retail Trade; Tourism, Hospitality & Entertainment (which includes Accommodation & Hospitality); Construction and CRE

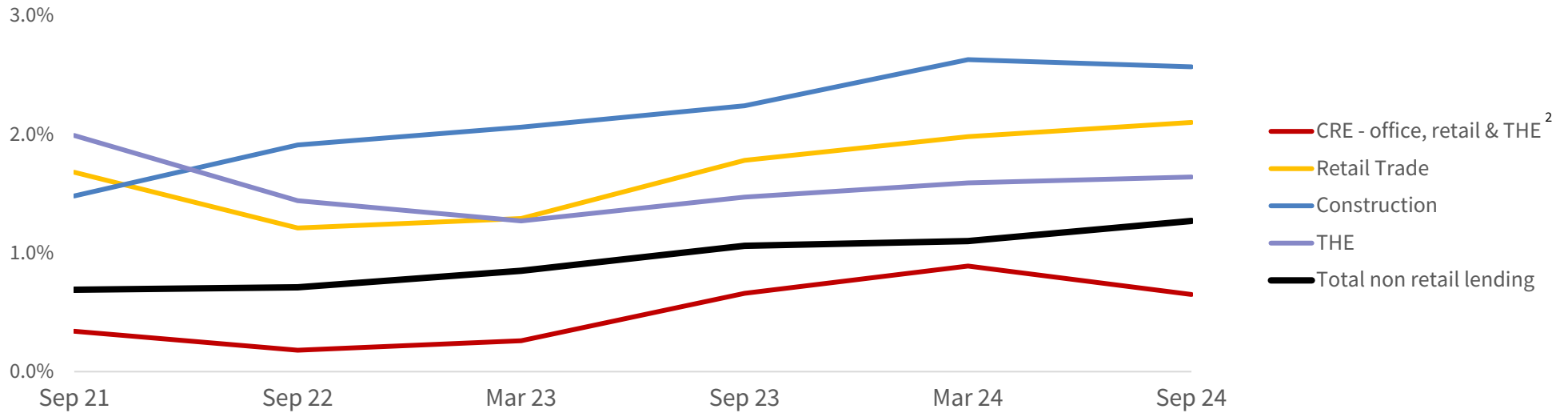
(2) Industry classifications are aligned to those disclosed in the 30 September Pillar 3 report – Table 5.1D. EAD shown excludes non-lending assets and certain assets supporting the Group LCR

(3) Mar 2024 and Sep 2023 figures include the impact of NZ exposures affected by severe weather events classified as “Restructured loans” in accordance with APS 220 Credit Risk Management. Group non performing exposures as % of EAD excluding NZ restructured loans was 1.52% at Mar 2024 and 1.45% at Sep 2023

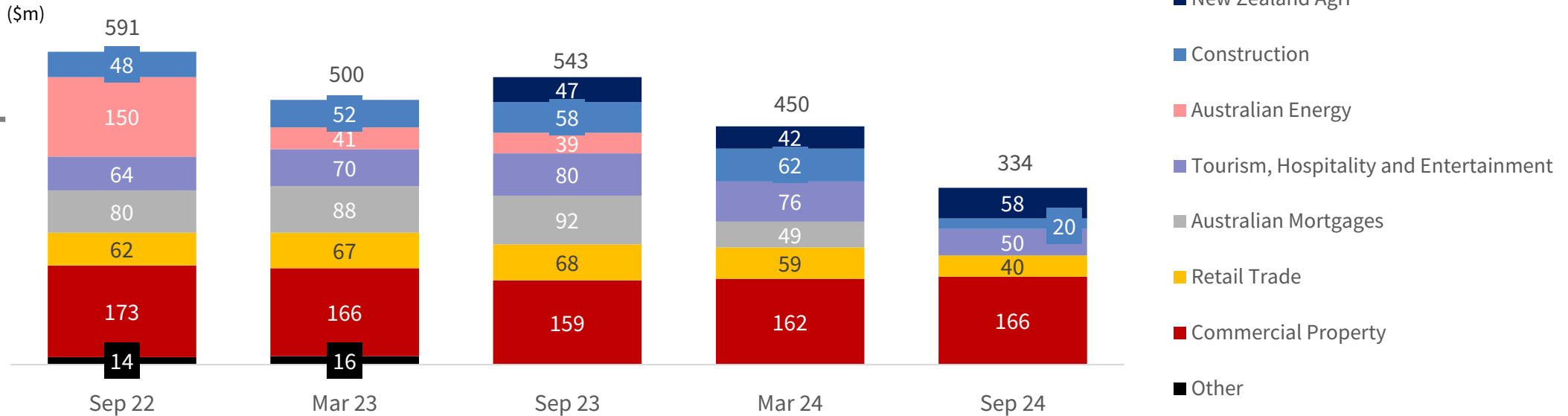
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# Target sector forward looking adjustments (FLAs)

## Non retail target sectors non-performing exposures as % of lending EAD<sup>1</sup>



## Collective provision target sector FLAs

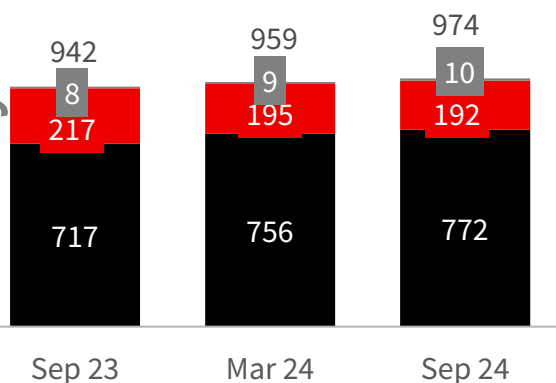


(1) Mar 23 and beyond reported under APRA's revised capital framework effective from 1 January 2023

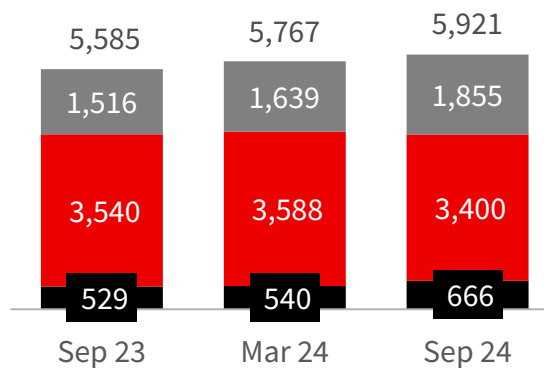
(2) CRE EAD figures are limits based on ARS 230 definitions and CRE FLAs relate to total CRE portfolio with Office, Retail and THE CRE viewed as most at risk

# ECL provisioning by stages

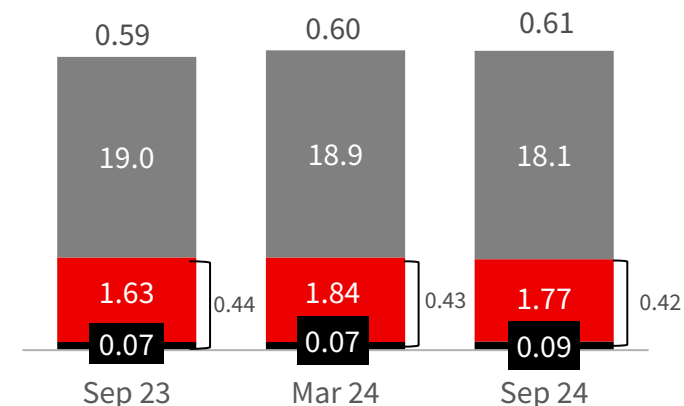
Loans and advances by stage<sup>1</sup>  
(\$bn)



Provisions by stage<sup>2</sup>  
(\$m)



Provision coverage by stage<sup>3</sup>  
(%)



■ 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 <sup>4</sup> since initial recognition but not credit impaired	Collective
Stage 3 (Lifetime ECL)	Credit impaired: default no loss Credit impaired: default with loss	Collective Individually assessed

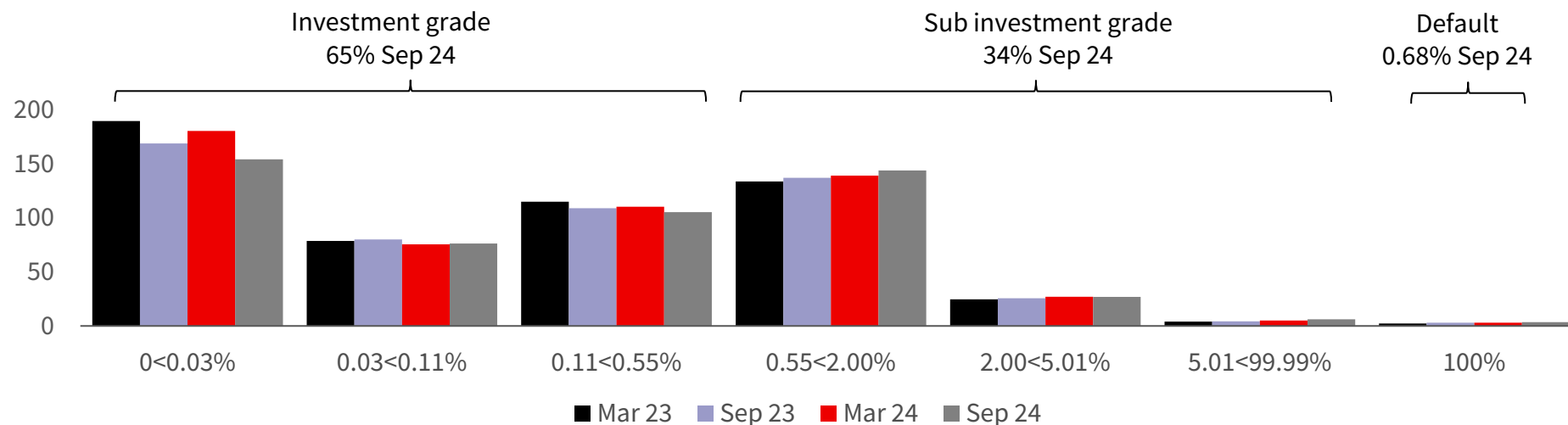
- Significant increase in credit risk rules are not prescribed by accounting or regulatory standards
- Stage allocations include the impact of forward looking economic information applied in the expected credit loss model
- Stage 2 includes majority of forward looking adjustments

(1) Notional staging of loans and advances, including contingent liabilities and credit-related commitments, incorporates forward looking stress applied in the ECL model  
 (2) Mar 24 and prior figures exclude 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

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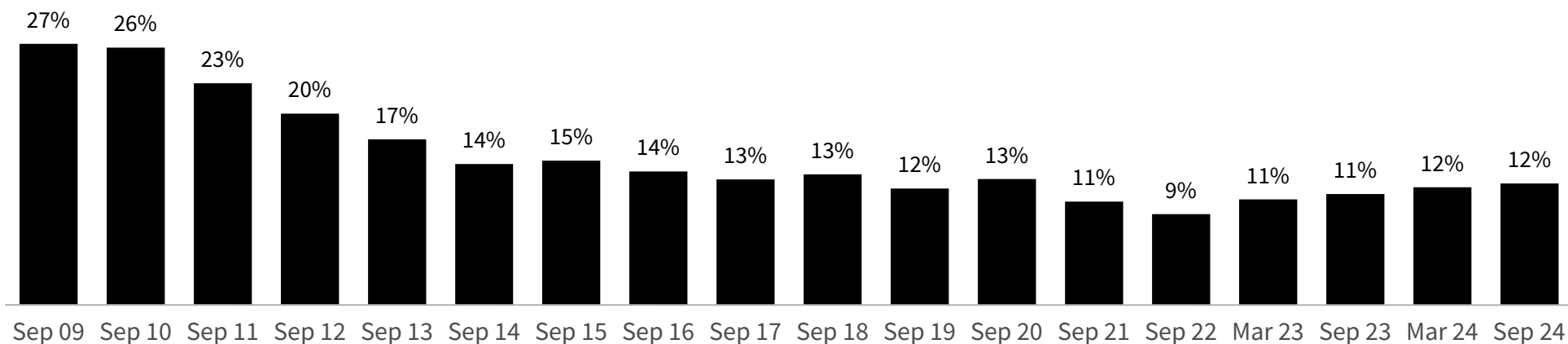
# Probability of default (PD) analysis

## Non retail IRB EAD<sup>1</sup> by probability of default (\$bn)



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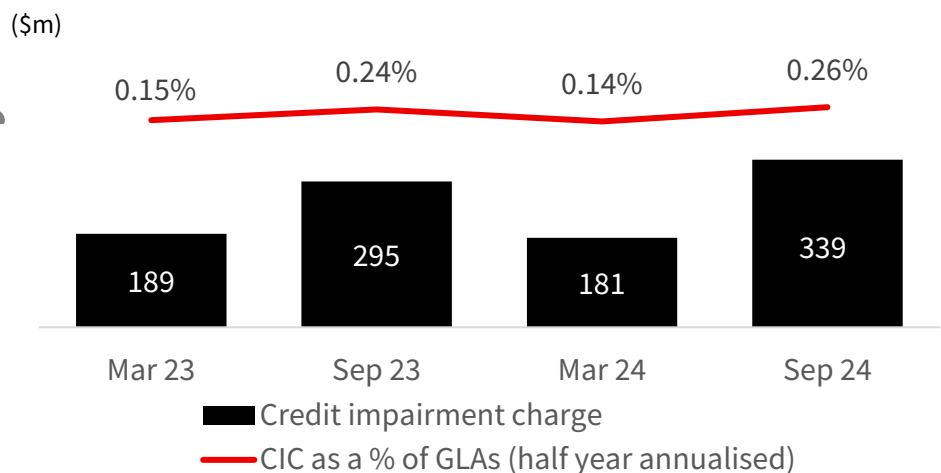
## Australia and NZ business exposures PD ≥ 2%



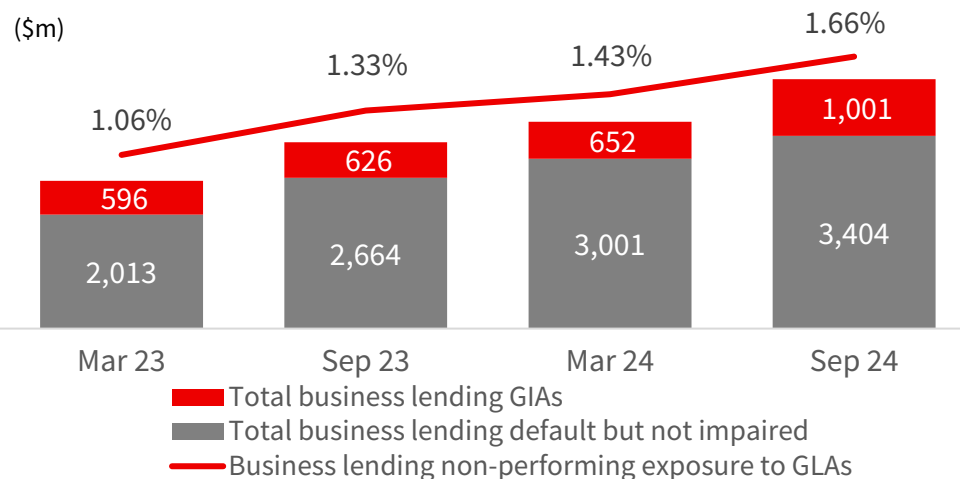
(1) Non retail internal ratings based portfolios are aligned to those disclosed in the 30 September 2024 Pillar 3 report – Table 5.3A. Total \$516bn at Sep 2024, \$540bn at Mar 2024, \$528bn at Sep 2023 and \$548bn at Mar 2023

# Australian business lending asset quality

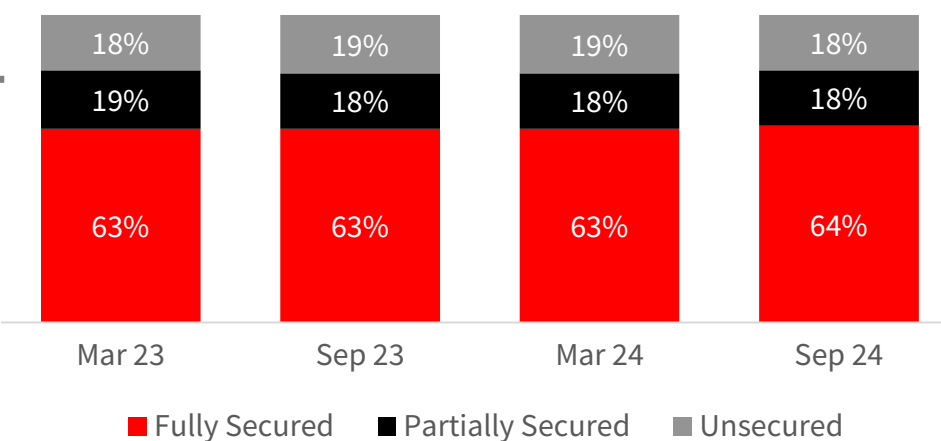
## Business lending credit impairment charge and as a % of GLAs



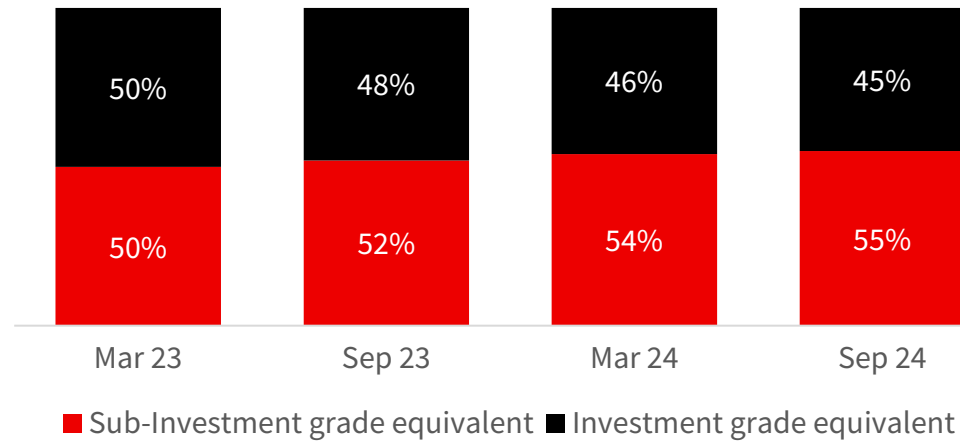
## Business lending non-performing exposure as % of GLAs



## Total business lending security profile<sup>1</sup>



## Business lending portfolio quality

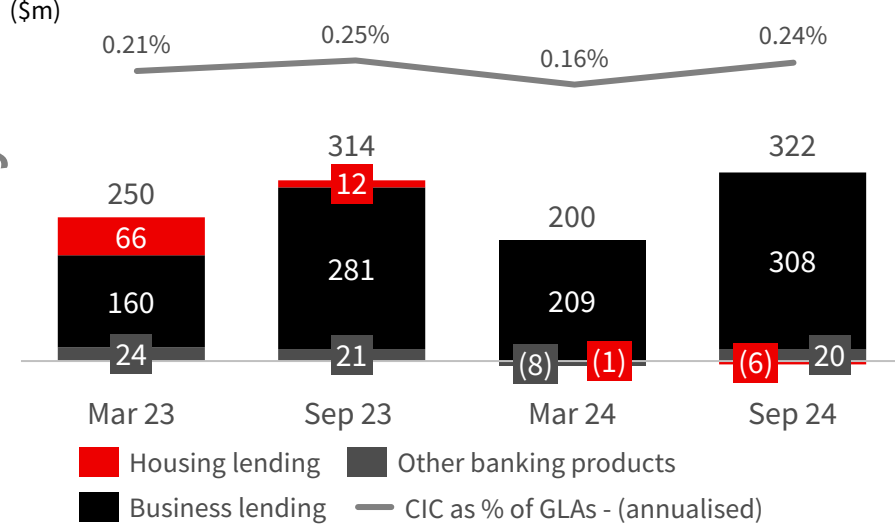


(1) Fully Secured is where the loan amount is less than 100% of the bank extended value of security; Partially Secured is where the loan amount is greater than 100% of the bank extended value of security; Unsecured is where no security is held and/or no value held against the security and negative pledge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

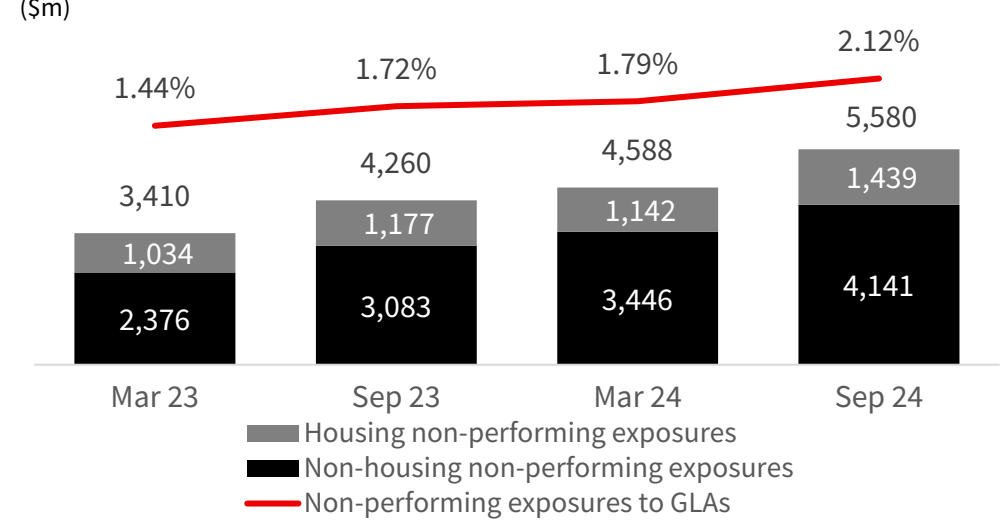
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# Australian Business & Private Banking asset quality

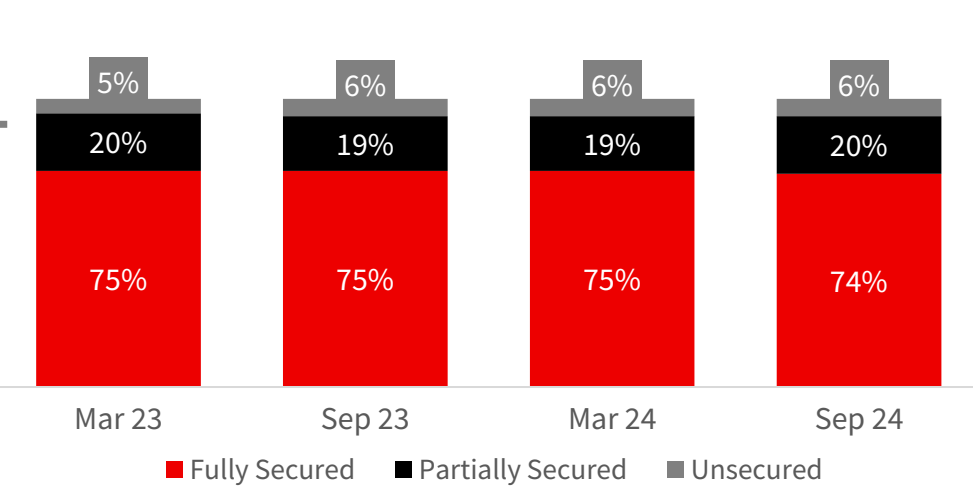
B&PB credit impairment charge and as % of GLAs<sup>1,2</sup>



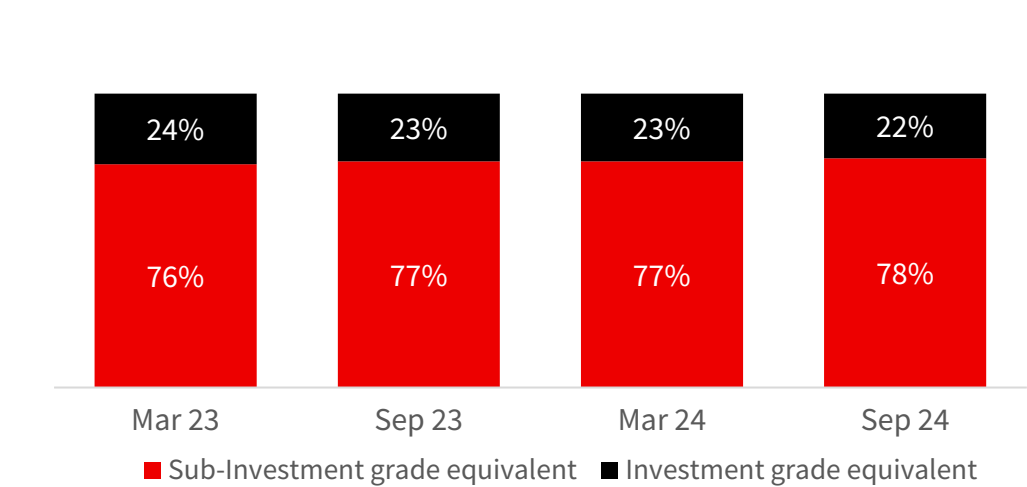
B&PB non-performing exposures and as % of GLAs<sup>1,2</sup>



B&PB business lending security profile<sup>3</sup>



B&PB business lending portfolio quality



(1) B&PB credit impairment charges and non-performing exposures reflect the total B&PB portfolio including mortgages  
 (2) During the year ended 30 September 2024, some customer lending and deposit portfolios were transferred between Personal Banking and Business & Private Banking. Comparative information has been restated accordingly  
 (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

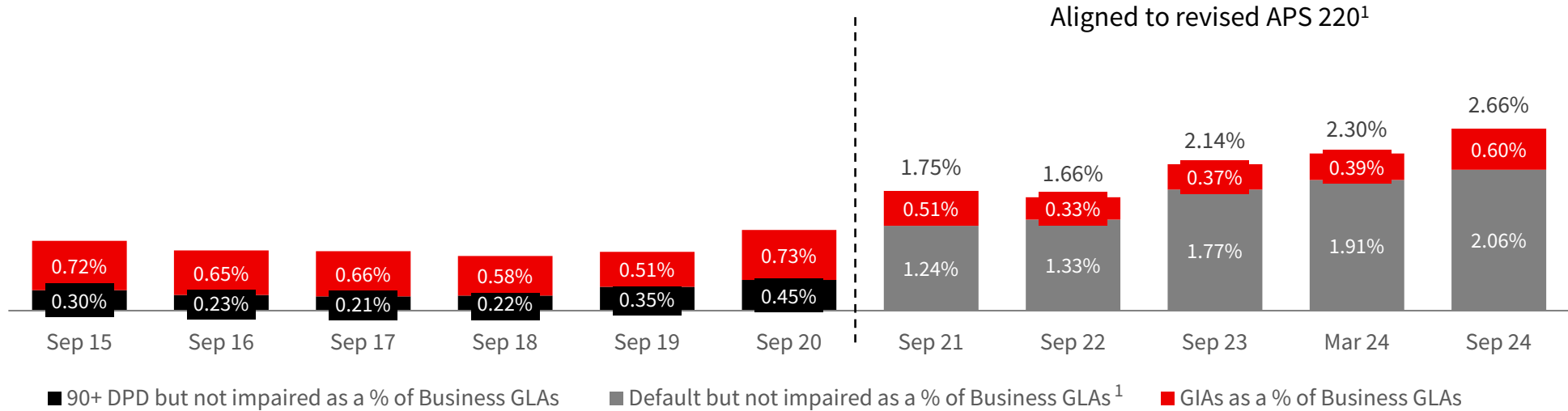
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# Business & Private Banking business lending \$155bn

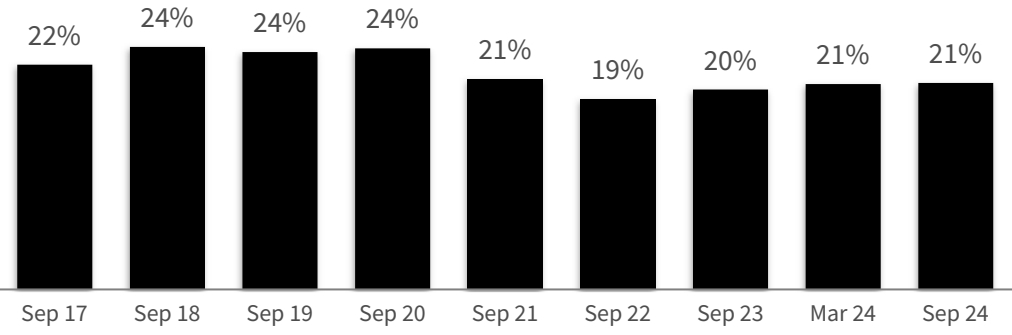
## Non-performing exposures (NPLs) as % of GLAs

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Aligned to revised APS 220<sup>1</sup>

## Exposures with probability of default (PD) ≥ 2%



## Higher risk balances<sup>2</sup>

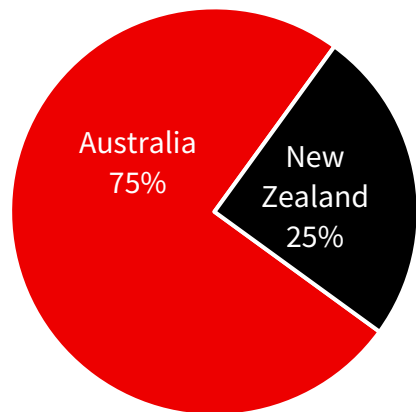
\$bn	Total balances with PD ≥ 2%
Not fully secured	~11.0
Of which: Unsecured	~2.1

(1) 'Default but not impaired' includes '90+ DPD but into impaired' assets and 'Default <90 DPD but not impaired' assets aligned to APS 220 *Credit Risk Management*. Examples of assets included in 'Default <90 DPD but not impaired' include cross defaults, bankruptcy and customers serving the 90-day probation period before reclassification to performing

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

# Agriculture, forestry & fishing exposures<sup>1</sup>

Group EAD \$62.2bn September 2024

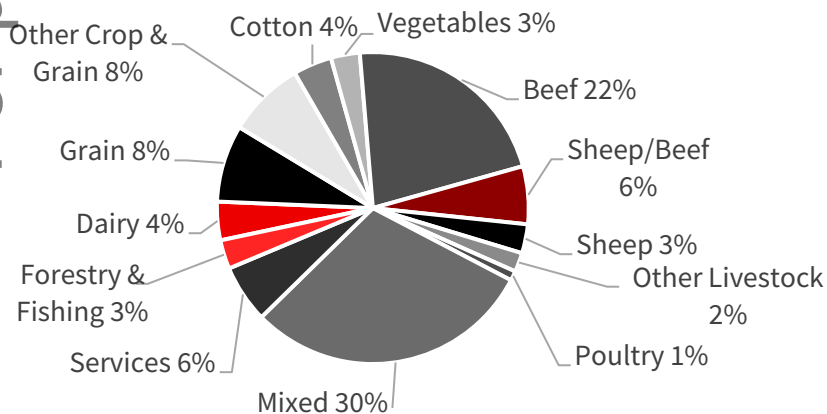


## Key Australian considerations

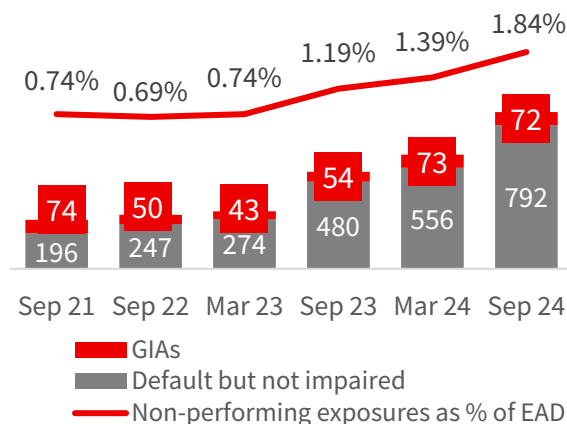
- Weather conditions have been mixed, with favourable conditions on the East Coast and rains in Western Australia, but dry conditions and recent frost events in Western Victoria and South Australia
- Sentiment generally remains positive with expectation of reasonable harvests, and asset valuations remain robust except for specific sub-sectors such as wine grapes
- NPL ratio has increased materially:
  - higher costs (interest and inputs) and continued labour issues (cost and supply) are proving challenging for some customers across a range of sectors;
  - while 2H24 deterioration is fairly broad based by sub-sector, particular stress is evident in dairy and cropping across a small number of larger customers in southern states
- ~16% of non-retail lending EAD

## Australian agriculture, forestry & fishing

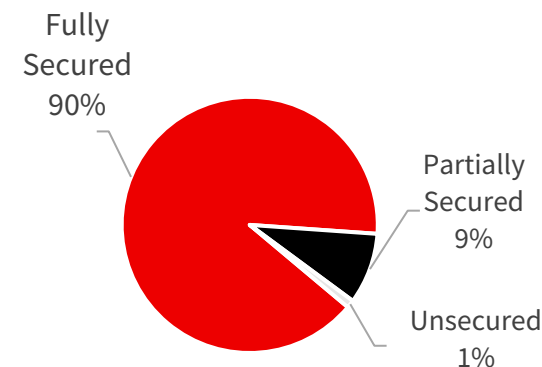
Portfolio EAD \$47.0bn September 2024



## Australian agriculture asset quality (\$m)



## Australian agriculture portfolio well secured<sup>2</sup>



(1) Based on ANZSIC Level 1 classifications of the counterparty to which the Group is exposed to credit risk, including guarantors and derivative counterparties

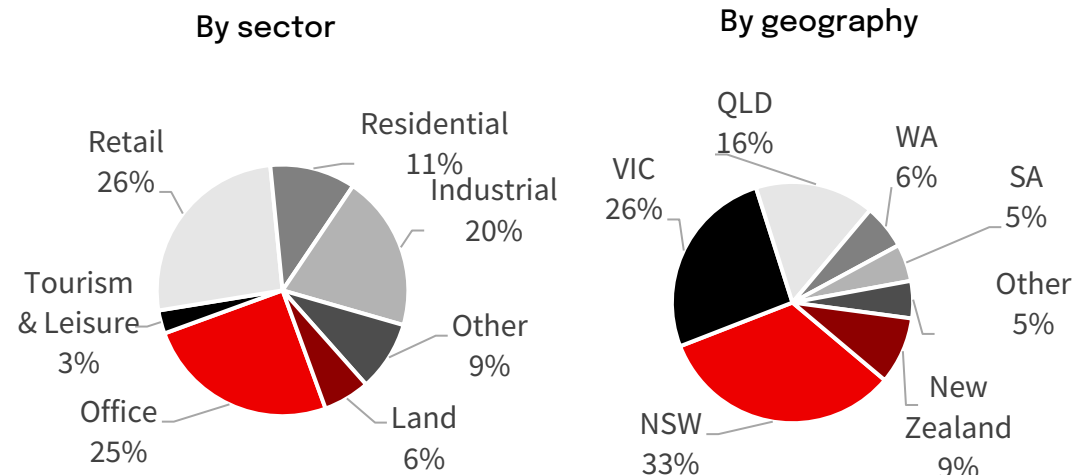
(2) Fully Secured is where the loan amount is less than 100% of the bank extended value of security; Partially Secured is where the loan amount is greater than 100% of the bank extended value of security; Unsecured is where no security is held and/or no value held against the security and negative pledge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

# Commercial real estate (CRE)<sup>1</sup>

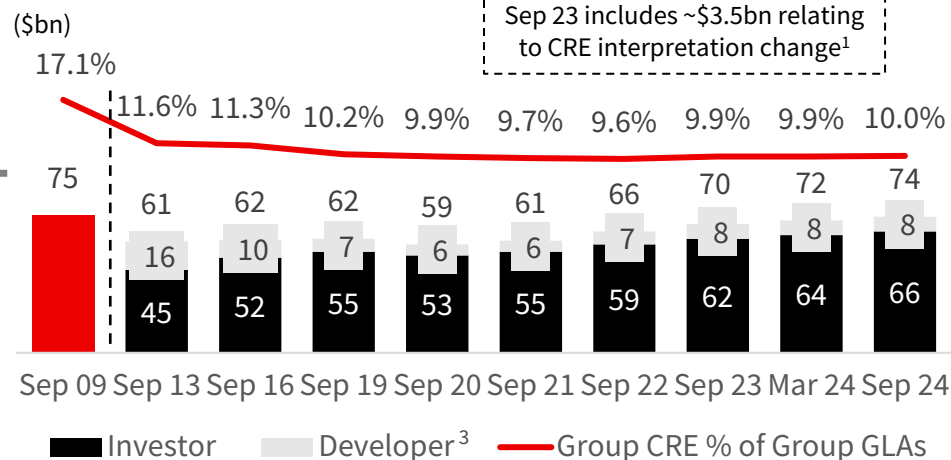
## Gross loans & acceptances (GLAs)

	Australia	New Zealand	Total <sup>2</sup>
Total CRE (A\$bn)	67.1	7.0	74.1
Increase/(decrease) from Sep 23 (A\$bn)	3.7	-	3.7
% of geographical GLAs	10.9%	7.2%	10.0%
Change in % from Sep 23	0.2%	(0.1%)	0.1%

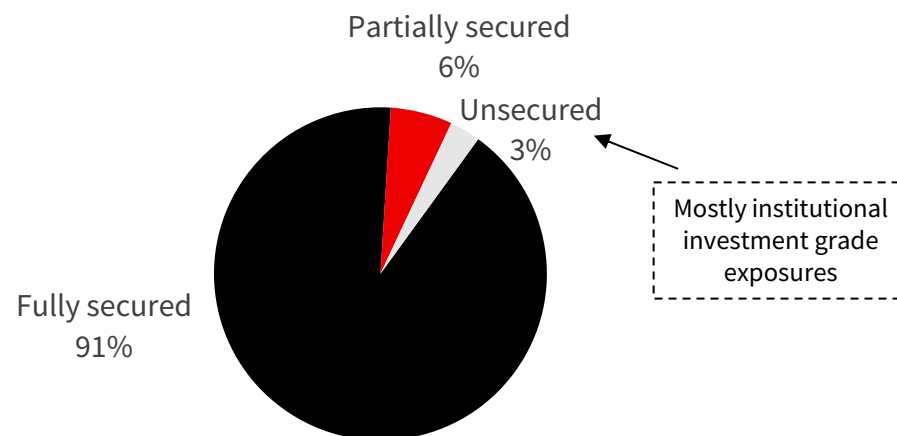
## Breakdown by total GLAs



## Balances over time



## Group CRE Security Profile<sup>4</sup>



(1) Measured as balance outstanding as at 30 September 2024 per APRA Commercial Property ARF 230 definitions. NAB modified its interpretation of the ARS 230 Commercial Property standard during the September 2023 half, with the guidance of APRA. This resulted in an additional ~\$3.5bn in Australian balances qualifying for ARS 230 reporting at Sep 23

(2) Includes overseas offices not separately disclosed

(3) Developer at September 2024 includes \$1.9bn for land development and \$3.2bn 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<sup>1</sup>

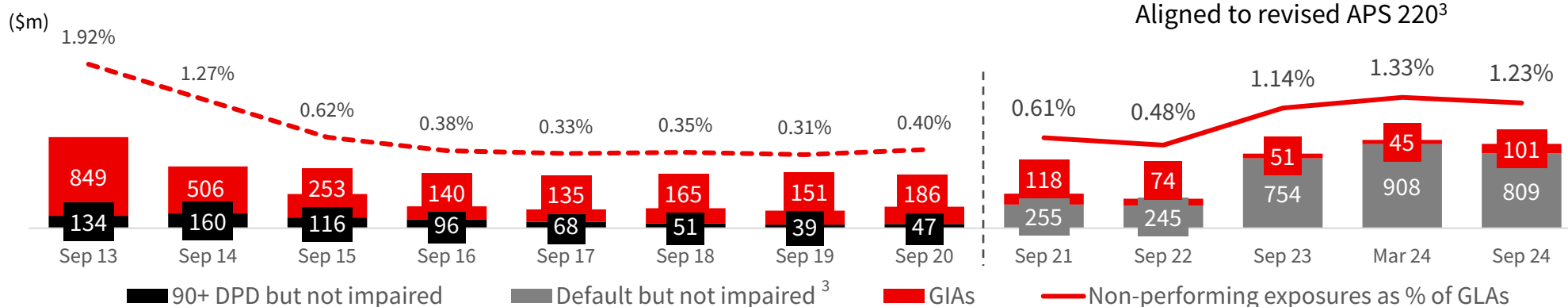
## Key asset quality considerations

- **Non-performing exposures** above low levels of recent years but remain below longer term historical levels; current experience has been biased towards default but not impaired exposures
- Higher default but not impaired since Sep 22 are being influenced by increased interest expenses that are not offset by sufficient rental growth for investment lending and delayed project completions / cost over-runs in the development portfolio relating to builder / construction issues
- Higher interest rates driving down transaction **leverage (LVR)** at origination to satisfy **serviceability (ICR)** requirements
- Material portion of new and renewed CRE Investment lending over past 18 months associated with **LVRs** <60%
- **Transaction volumes** remain low given continued disconnect between vendor and purchaser price expectations
- Provisioning includes \$166m target sector **FLA**

## Sector considerations

- Slower lending momentum observed in **Development** segment; labour shortages in construction sector continue to challenge new development starts
- **Discretionary income** exposed assets face challenges from elevated interest rates and cost of living pressures
- Valuation pressure and elevated vacancy rates evident across **Office** markets. Secondary assets<sup>2</sup> lacking Green credentials deemed higher risk, particularly those with shorter lease expiries located in CBD-type locations
  - 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

## Non-performing exposure and as % GLAs



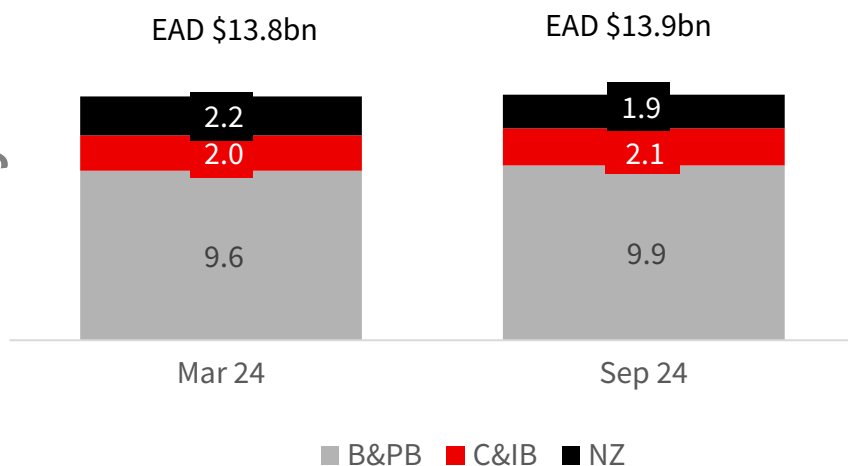
(1) Measured as balance outstanding per APRA Commercial Property ARS 230 definitions

(2) Refers to office assets below Prime and A-grade

(3) 'Default but not impaired' includes '90+ DPD but into impaired' assets and 'Default <90 DPD but not impaired' assets aligned to APS 220 Credit Risk Management. Examples of assets included in 'Default <90 DPD but not impaired' include cross defaults, bankruptcy and customers serving the 90-day probation period before reclassification to performing

# Construction<sup>1</sup>

## Exposure at default

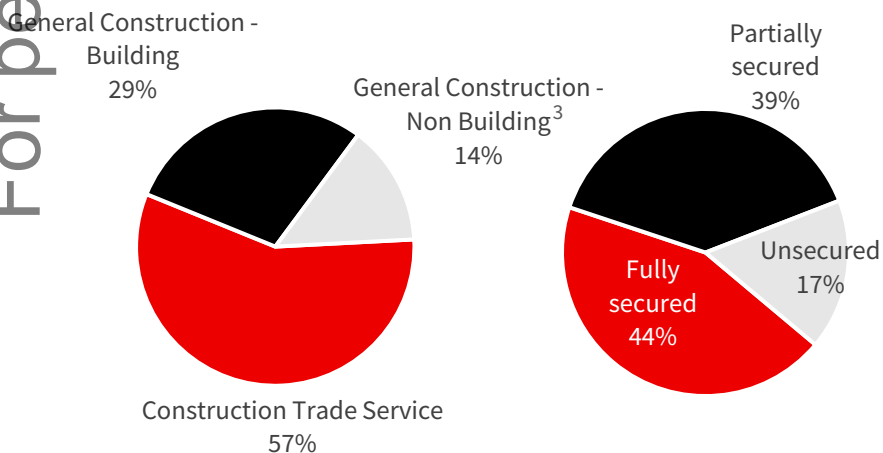


## Key considerations

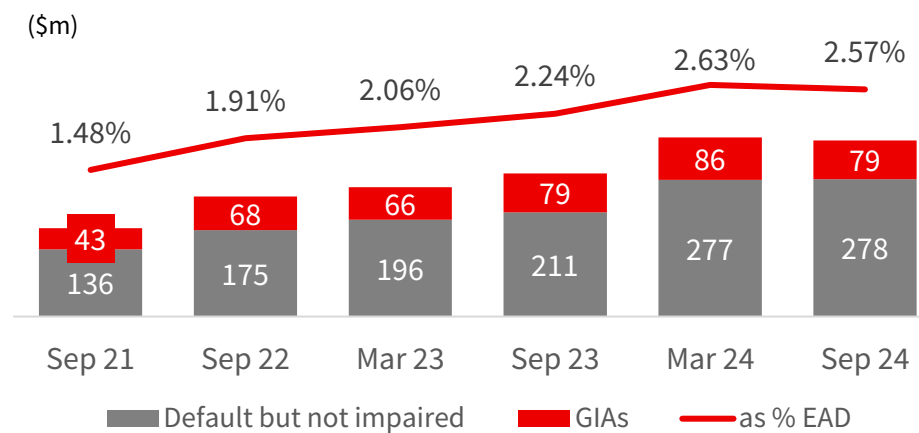
- Key challenges continue to be around labour availability and subcontractors issues (both availability and completion risk); new housing starts have moderated in the face of rising interest and construction costs
- ~4% non retail lending EAD including subcontractors and construction services
- Highly diversified and secured portfolio
- Provisioning includes \$20m target sector FLA
- ~60% of C&IB exposures are contingent facilities e.g. performance guarantees

Sep 24 Australian Construction	B&PB	C&IB	Total
EAD (\$bn)	9.9	2.1	12.0
# customers	~29k	~300	~29k
% Fully or Partially Secured	94%	42%	82%

## EAD portfolio by sector and security<sup>2</sup>



## Non-performing exposure and as % of sector EAD

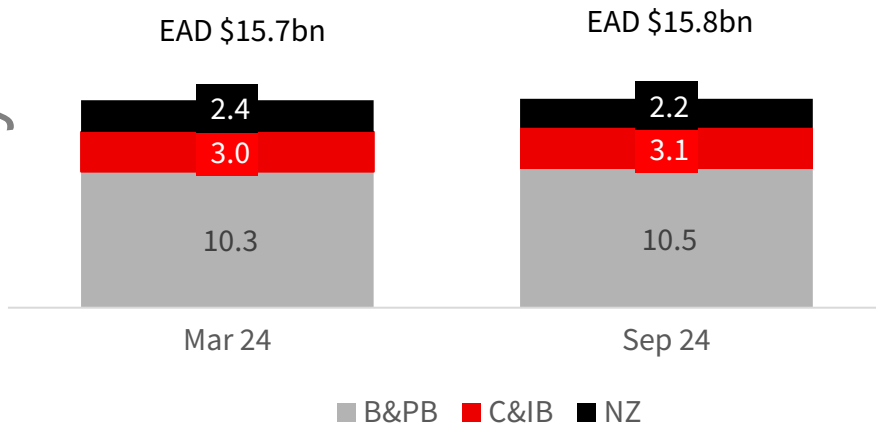


(1) Based on ANZSIC Level 1 classifications of the counterparty to which the Group is exposed to credit risk, including guarantors and derivative counterparties  
 (2) Fully Secured is where the loan amount is less than 100% of the bank extended value of security; Partially Secured is where the loan 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

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# Retail Trade<sup>1</sup>

## Exposure at default



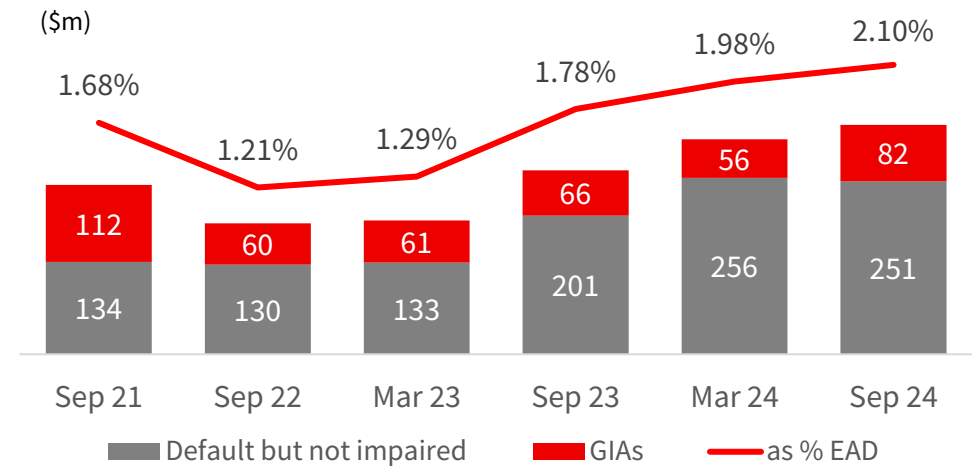
## Key considerations

- Despite population growth, ongoing cost of living pressures are resulting in a moderation in overall consumer demand
- Consumer segments are being impacted differently including a shift in consumer spending patterns towards essentials with a resulting reduction in discretionary spending
- 2H24 increase in NPL ratio due to higher GIAs relating to smaller customers in the B&PB business lending portfolio
- Provisioning includes \$40m target sector FLA
- ~4% non retail lending EAD

## EAD portfolio by sector and security<sup>2</sup>



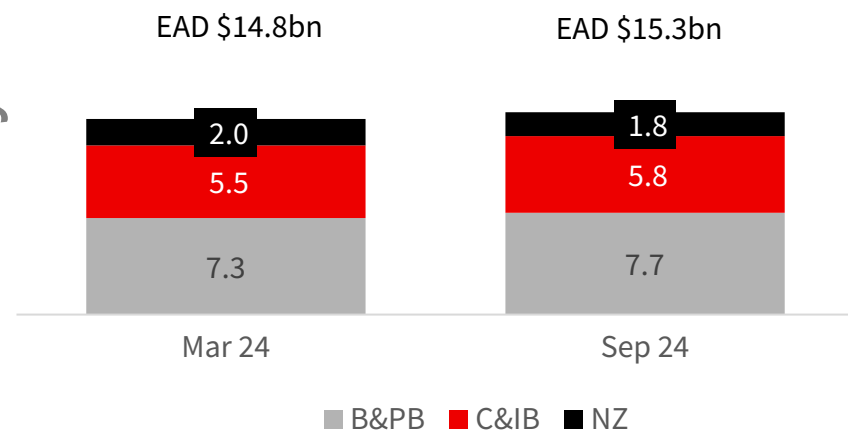
## Non-performing exposure as % of sector EAD



(1) Based on ANZSIC Level 1 classifications of the counterparty to which the Group is exposed to credit risk, including guarantors and derivative counterparties  
 (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<sup>1</sup>

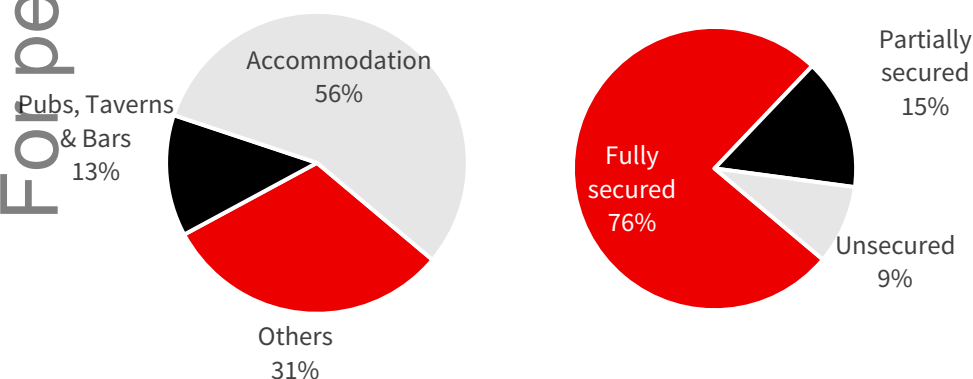
## Exposure at default



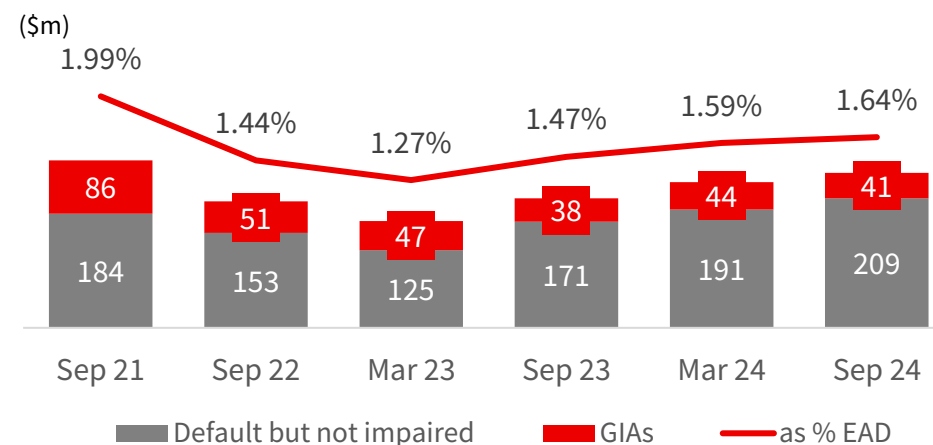
## Key considerations

- Industry data suggests trading performance for Tourism and Entertainment operators remains robust, notwithstanding wage input cost increases and reduced discretionary spending
- Impacts of softer consumer confidence, reduced discretionary spending, higher cost of living and increased interest rates are being felt unevenly across the portfolio reflecting differences by demographics
- ~4% of non retail lending EAD
- Provisioning includes \$50m target sector FLA

## EAD portfolio by sector and security<sup>2</sup>



## Non-performing exposure as % of sector EAD

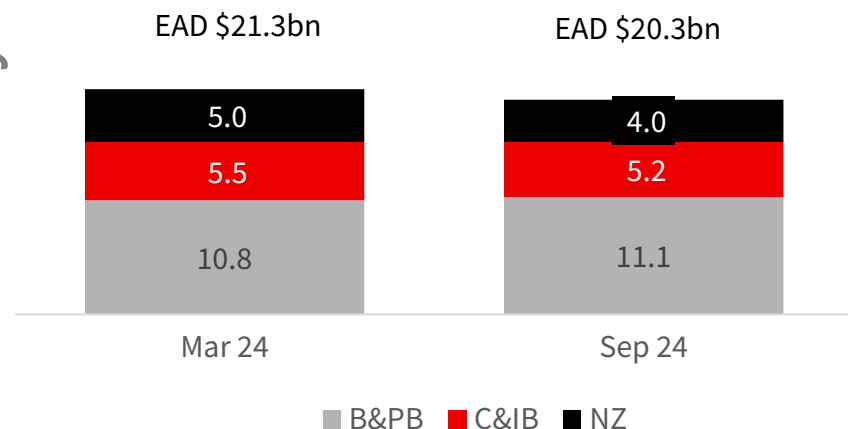


(1) Based on the ANZSIC Level 1 classifications of accommodation and hospitality, plus cultural and recreational services; based on the counterparty to which the Group is exposed to credit risk, including guarantors and derivative counterparties

(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

# Manufacturing<sup>1</sup>

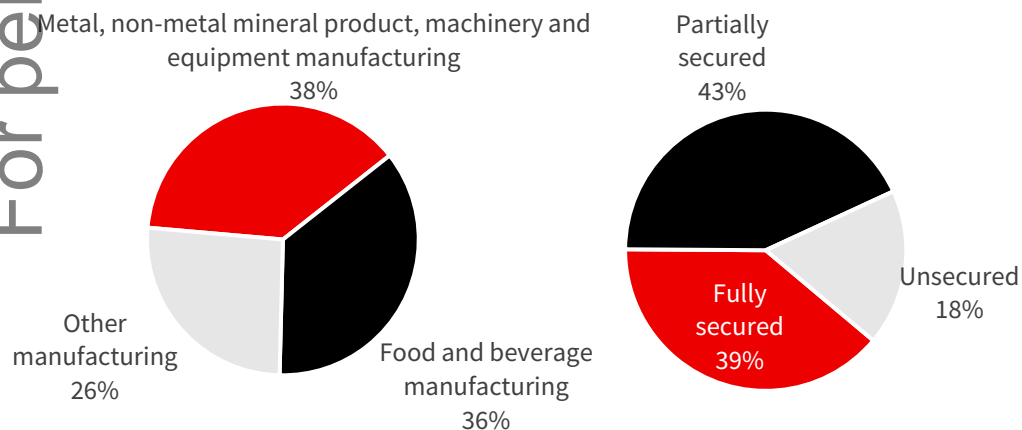
## Exposure at default



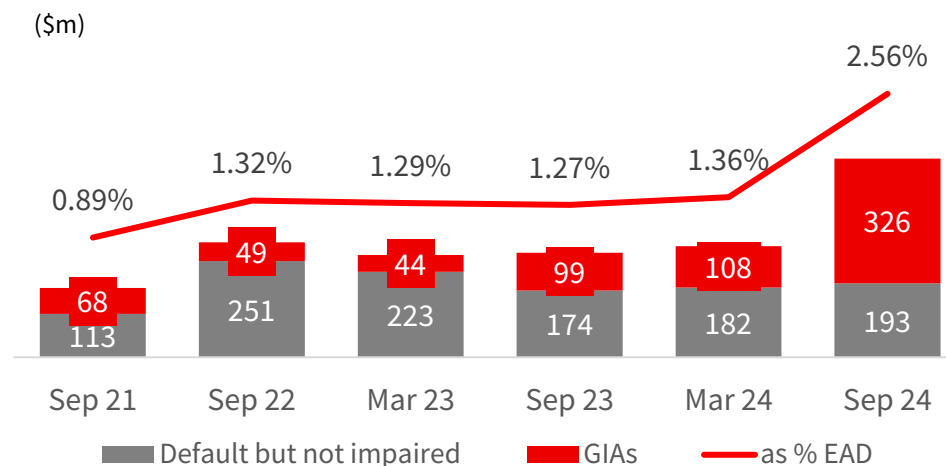
## Key considerations

- Higher interest rates and input costs have led to deterioration in the Manufacturing industry, particularly those within the food and beverage supply chain
- Increase in NPL ratio in 2H24 primarily reflects a small number of larger customers in B&PB
- ~5% of non retail lending EAD

## EAD portfolio by sector and security<sup>2</sup>



## Non-performing exposure 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

(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

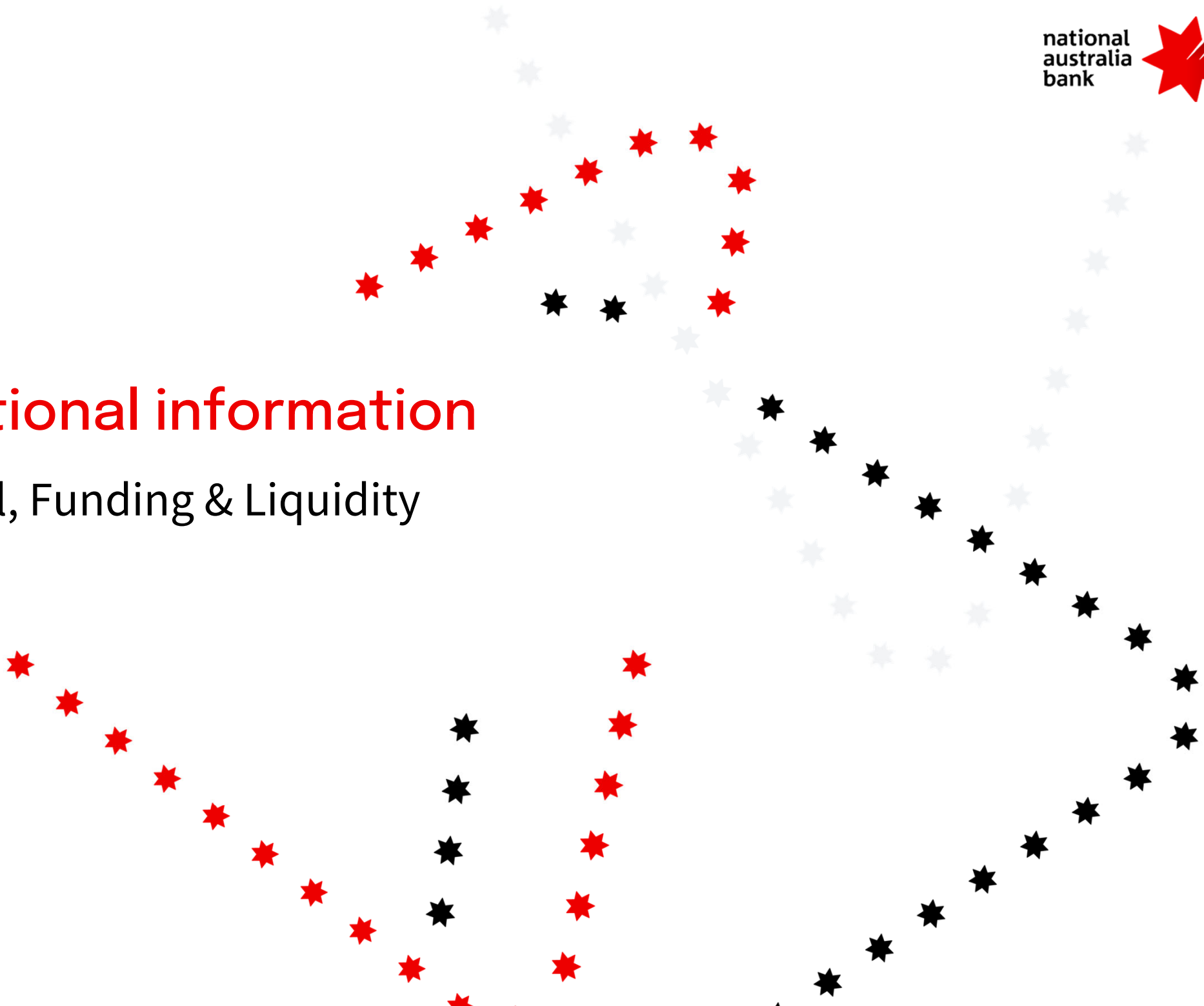
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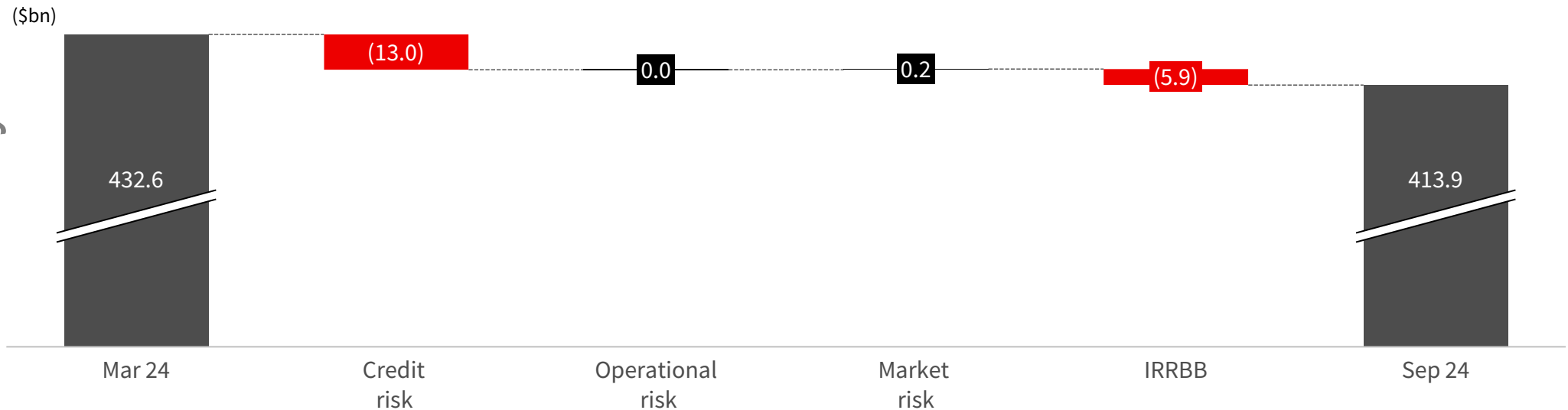
# Additional information

## Capital, Funding & Liquidity



# Risk-weighted assets

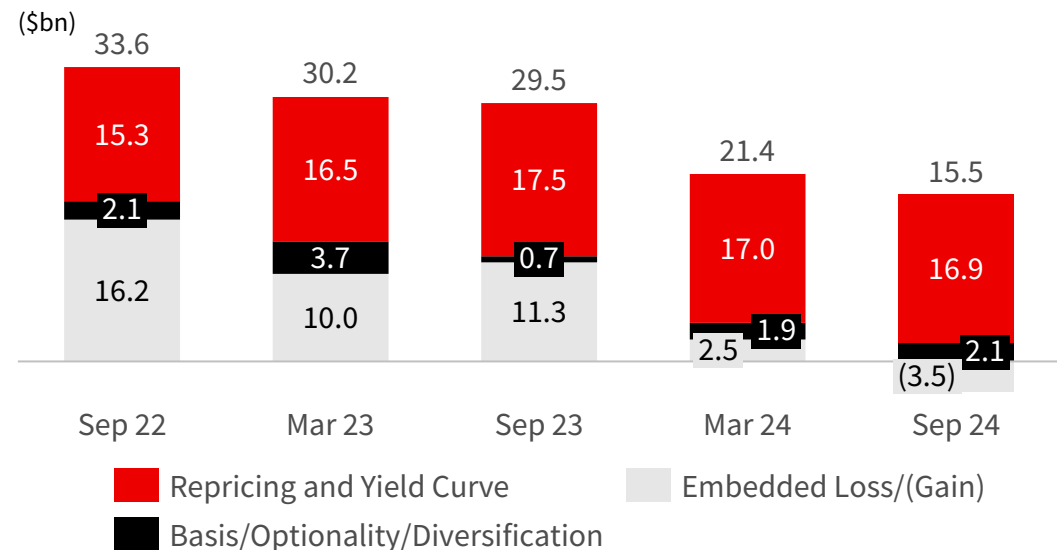
## Risk-weighted assets



## RWA

- Credit RWA growth from lending and asset quality deterioration more than offset by updated model and methodology changes<sup>1</sup>
- IRRBB RWA associated with the capital hedge has moved to an embedded gain contributing a \$3.5bn offset within total IRRBB RWA
- Sensitivity for embedded loss/gains: +/- 10 bps swap rates equivalent to ~\$0.5bn of RWA

## IRRBB risk-weighted assets



(1) Model changes include Corporate loss given default (LGD), probability of default (PD) estimates for Australian residential mortgages, and the adoption of standardised credit conversion factors for certain BNZ non-retail exposures

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# Capital & Deposit hedges

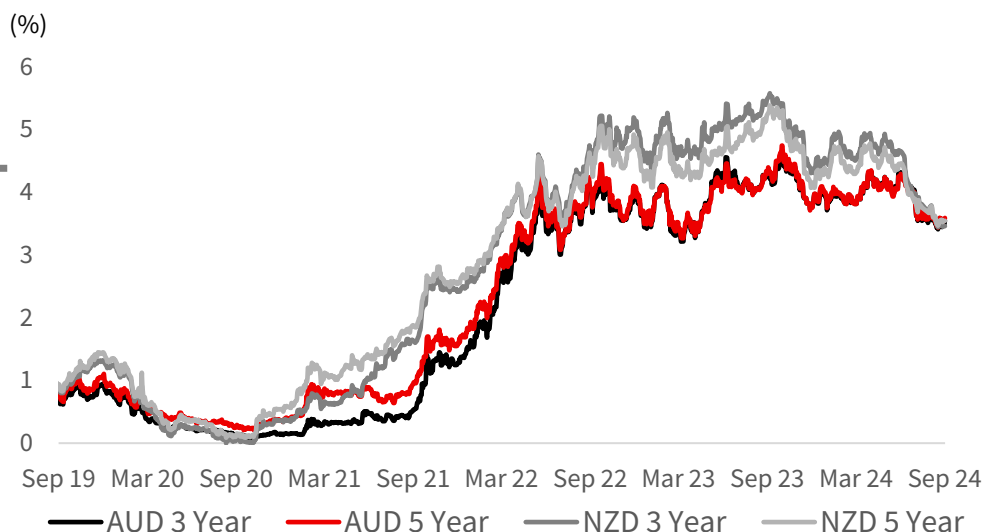
## NAB replicating portfolios

Replicating portfolio		
	30 Sep 24 balance	Invested out to term of
Capital	AUD \$41bn	3 years
Deposits	AUD \$73bn	5 years

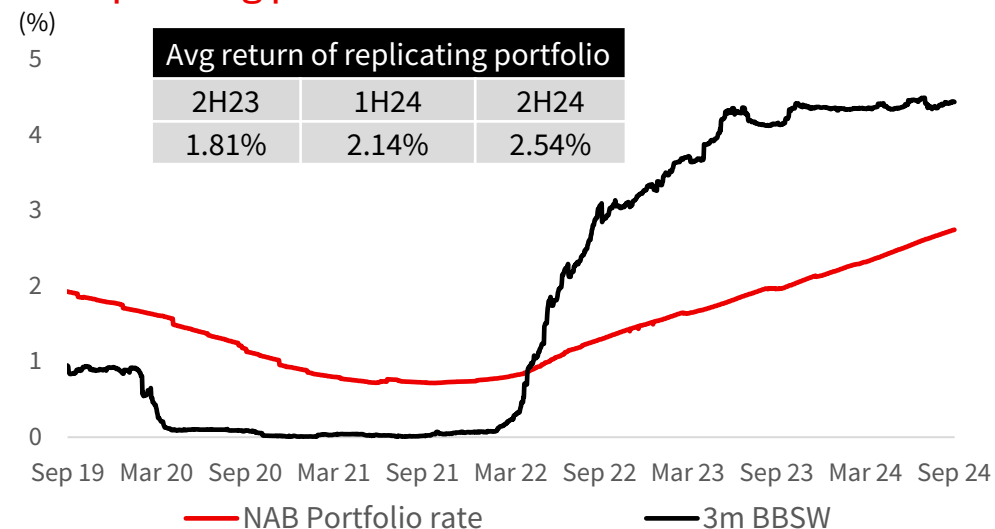
## BNZ replicating portfolios

Replicating portfolio		
	30 Sep 24 balance	Invested out to term of
Capital	NZD \$12bn	3 years
Deposits	NZD \$9bn	5 years

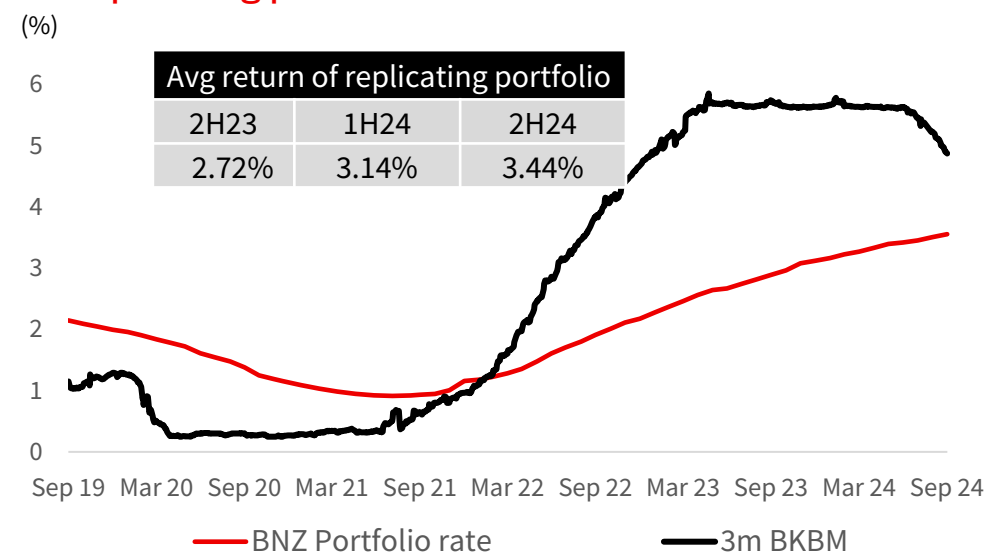
## Swap rates<sup>2</sup>



## NAB replicating portfolios<sup>1</sup>



## BNZ replicating portfolios<sup>3</sup>

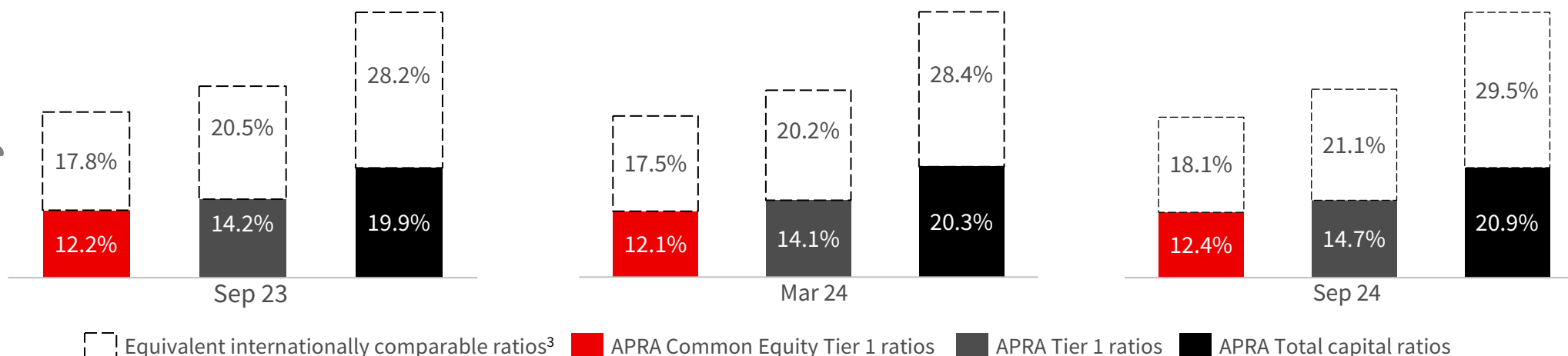


(1) Blended replicating portfolio (Australia only) includes capital, non-interest bearing and rate insensitive deposits  
 (2) AUD swap rates sourced from Bloomberg and NZD Swap Rates sourced from Reuters  
 (3) Blended replicating portfolio (New Zealand only) includes capital, non-interest bearing and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

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# Internationally comparable capital ratios

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APRA to Internationally comparable CET1 ratio reconciliation <sup>1</sup>		CET1 %
<b>APRA CET1 ratio</b>		<b>12.4</b>
Regulatory capital differences (i.e. fee income eligible as regulatory capital and deduction of capitalised expenses not in the Basel framework) and items deducted under APRA requirements compared to being risk-weighted (subject to thresholds) in the Basel framework (i.e. deferred tax assets and equity exposures)		0.8
APRA requirement for Interest Rate Risk in the Banking Book (IRRBB) risk-weighted assets (RWA) not in the Basel framework		0.7
APRA requirements for residential mortgages not in the Basel framework (i.e. APRA multipliers of 1.4, 1.7 or 2.5, higher APRA loss given default (LGD) floor, APRA risk-weight floor and standardised treatment for non-standard mortgages)		1.6
APRA internal ratings-based approach scaling factor of 1.1 not in the Basel framework (including for exposures of the RBNZ regulated banking subsidiary)		1.2
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)		0.5
Non-retail LGD differences between APRA and Basel framework for certain exposures under foundation IRB and advanced IRB approaches		0.2
Other <sup>2</sup>		0.2
<b>Internationally comparable CET1 ratio <sup>3</sup></b>		<b>18.1</b>

(1) 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 Reserve Bank of New Zealand (RBNZ) prudential requirements, with the Finalised post-crisis Basel III reforms

(2) 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

(3) 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 55% of RWA under APRA's standardised methodology, where 55% is the Basel transitional capital floor that applies from 1 January 2024

# Key regulatory changes impacting capital and funding

Change	CY24	CY25	CY26	CY27
<b>Additional Tier 1 (AT1) Capital</b>	Discussion paper released	Consultation		Implementation
<b>Market Risk (APS 116)</b>			Implementation	
<b>Counterparty Credit Risk (APS 180)</b>			Implementation	
<b>Interest Rate Risk in the Banking Book (APS 117)</b>		Implementation		
<b>Liquidity (APS 210)</b>		Consultation		
<b>Public Disclosures (APS 330)</b>		Implementation		
<b>Loss-Absorbing Capacity</b>	Implementation <sup>1</sup>		Implementation <sup>1</sup>	
<b>RBNZ Capital Review</b>	Increases to capital phased in over a seven-year period to July 2028			

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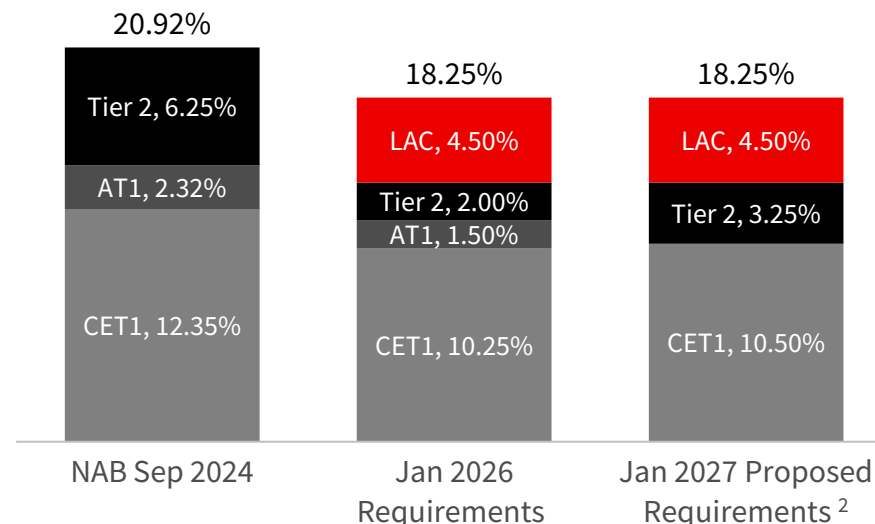
(1) In Dec 21, APRA finalised Loss-Absorbing Capacity requirements for D-SIBs, set as an increase to minimum Total Capital requirement of 4.5% of RWA from 1 January 2026. D-SIBs were required to hold the interim setting of an increase to minimum Total Capital requirement of 3% of RWA from 1 January 2024. NAB has met the 3% of RWA Total Capital requirement

# Loss Absorbing Capacity and Additional Tier 1

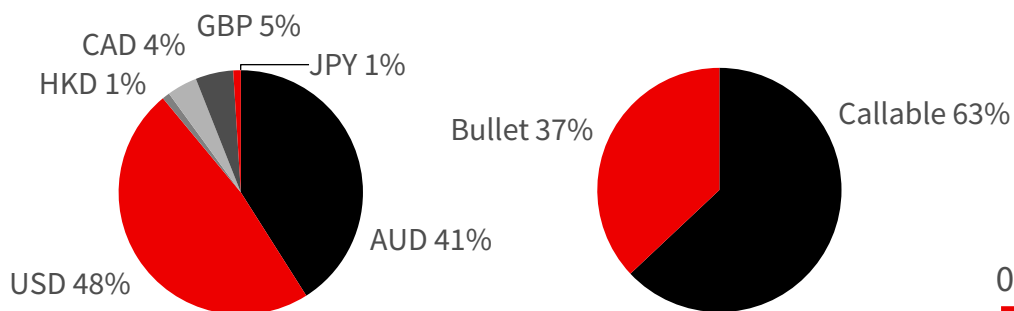
## Key messages

- Based on the Group's RWA and Total Capital position at 30 Sep 24, NAB meets APRA's Jan 26 LAC requirements
- NAB has \$0.6bn of existing Additional Tier 1 and \$2.3bn of existing Tier 2 with optional redemption dates prior to Jan 26<sup>1</sup>
- APRA released a discussion paper in Sep 24 which proposed replacing 1.5% AT1 with 0.25% CET1 and 1.25% Tier 2, from Jan 27<sup>2</sup>, with formal consultation expected in first half CY25
- NAB has \$9.6bn of AT1 outstanding, which would continue to contribute to Total Capital until first call date through to 2032, under APRA's current proposal

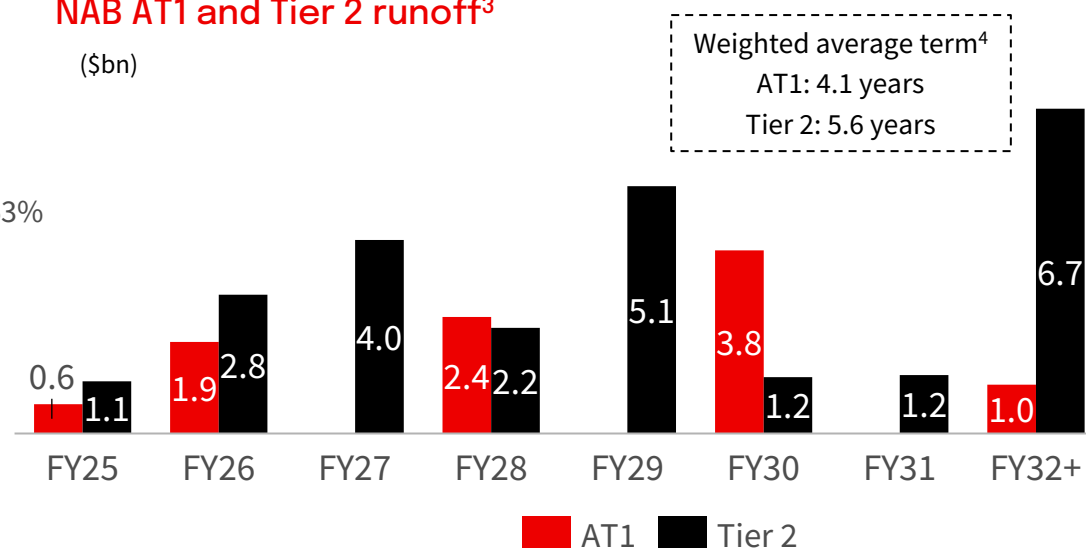
## APRA changes to major banks' capital minimums



## NAB Tier 2 outstanding issuance



## NAB AT1 and Tier 2 runoff<sup>3</sup>



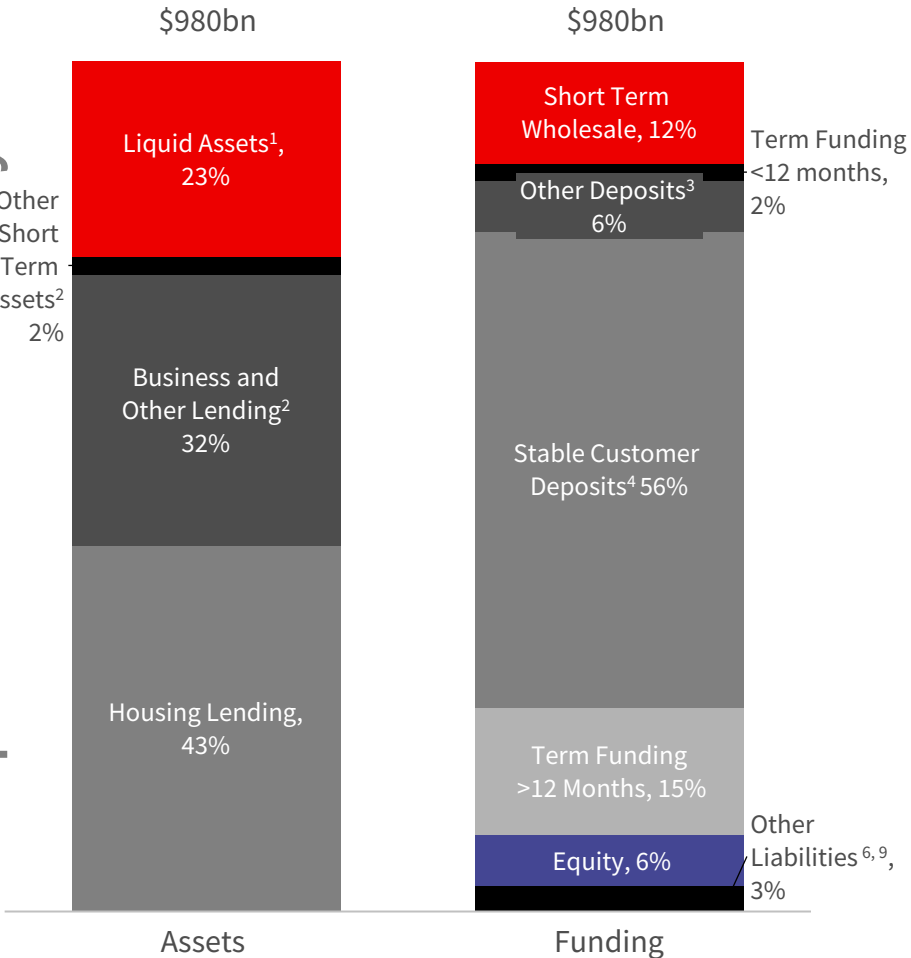
(1) Any early redemption would be subject to prior written approval from APRA (which may or may not be provided)  
 (2) Under APRA's proposed approach for large, internationally active banks in the discussion paper: 'A more effective capital framework for a crisis', released on 10 September 2024  
 (3) Based on first optional call date (subject to APRA approval, which may or may not be provided) or maturity date (adjusted for any capital amortisation)  
 (4) Based on remaining term to maturity, with maturity equal to first optional call date where applicable (subject to APRA approval, which may or may not be provided), and adjusted for any capital amortisation

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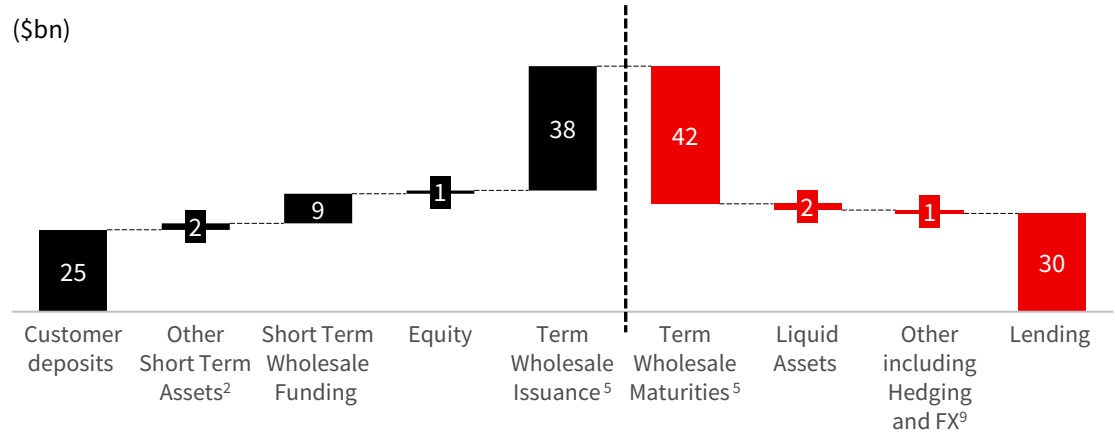
# Asset Funding

## Funded balance sheet

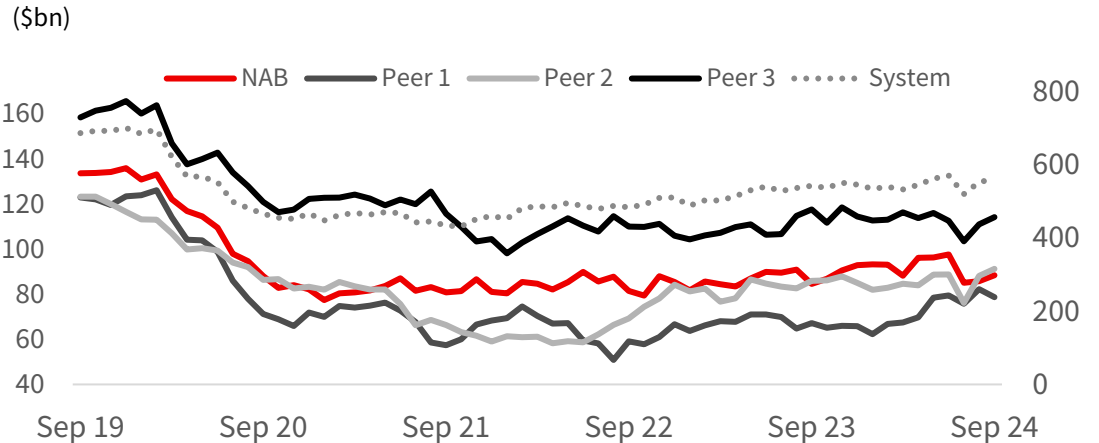
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## Group source and uses of funds, 12 months to 30 September 24



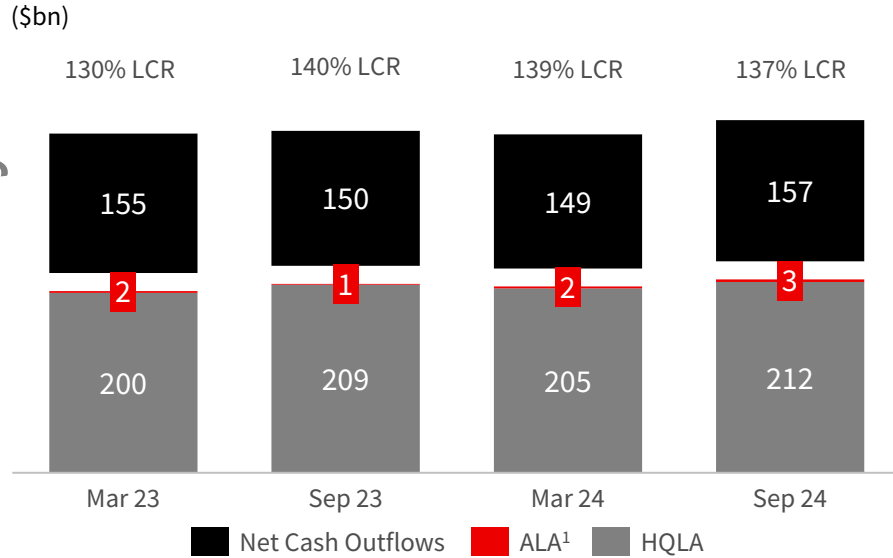
## Australian core funding gap<sup>7,8</sup>



- (1) Liquid asset securities are measured at fair value with valuation changes recognised immediately through profit or loss or other comprehensive income
- (2) Trade finance loans are included in other short-term assets, instead of business and other lending
- (3) Includes non-operational financial institution deposits and certain offshore deposits as defined in APRA standard APS 210 Liquidity
- (4) Includes operational deposits, non-financial corporate deposits and retail / SME deposits and excludes certain offshore deposits as defined in APRA standard APS 210 Liquidity
- (5) Issuance includes AT1. Maturity includes RBA Term Funding Facility, RBNZ funding facilities and RMBS
- (6) The net position includes net derivatives, property, plant and equipment, all net of accruals, receivables and payables
- (7) Australian core funding gap = Gross loans and advances plus acceptances less total deposits (excluding certificates of deposit)
- (8) Statistics as at 30 September 2024
- (9) Includes short-term collateral and settlements

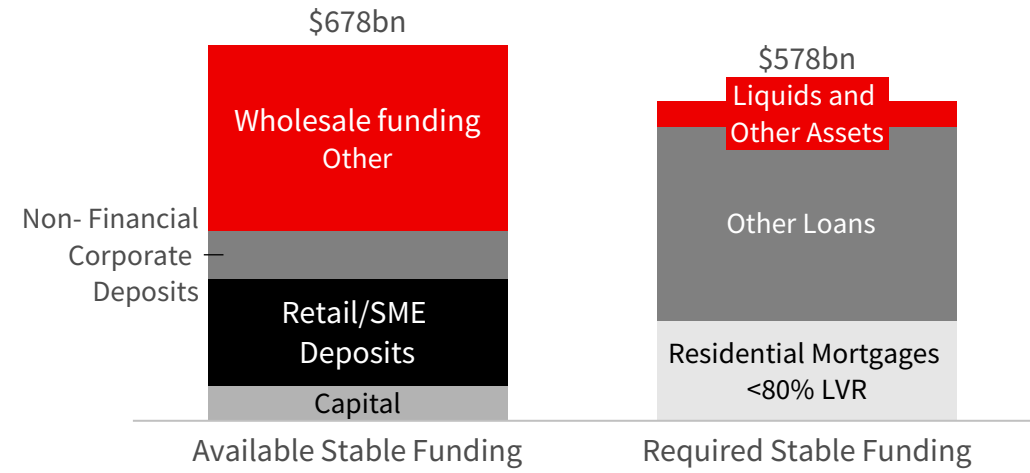
# Liquidity

## Liquidity coverage ratio (quarterly average)

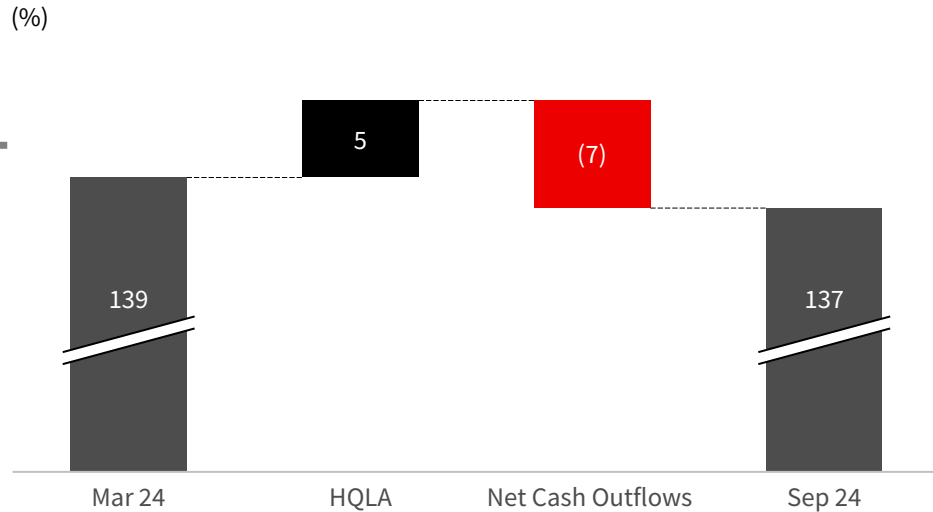


## Net stable funding ratio composition

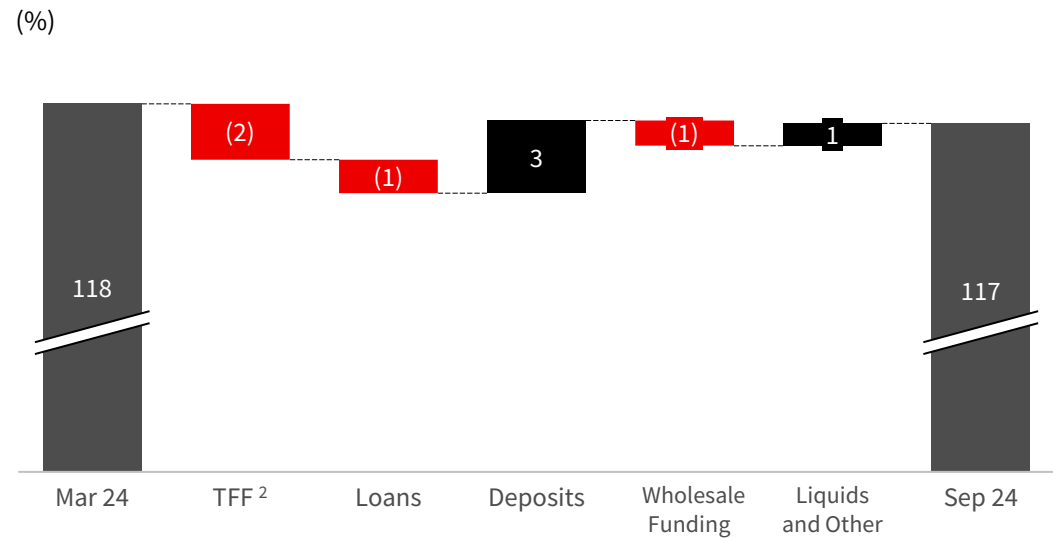
Group NSFR 117% as at 30 Sep 24



## Liquidity coverage ratio movement



## Net stable funding ratio movement



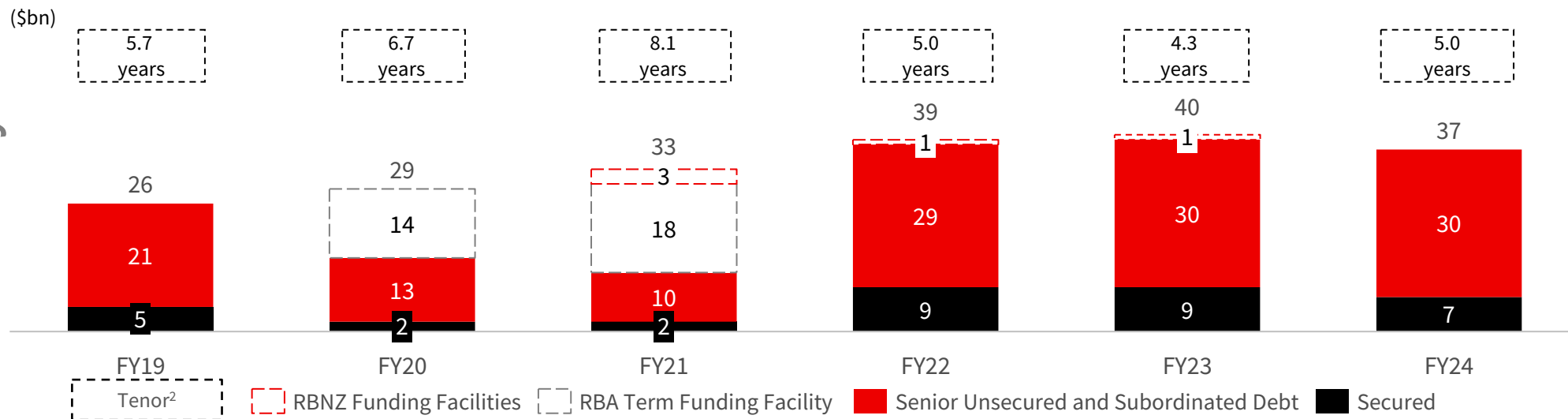
(1) Alternative Liquid Assets  
 (2) Includes the unwind of Required Stable Funding including benefits related to the TFF

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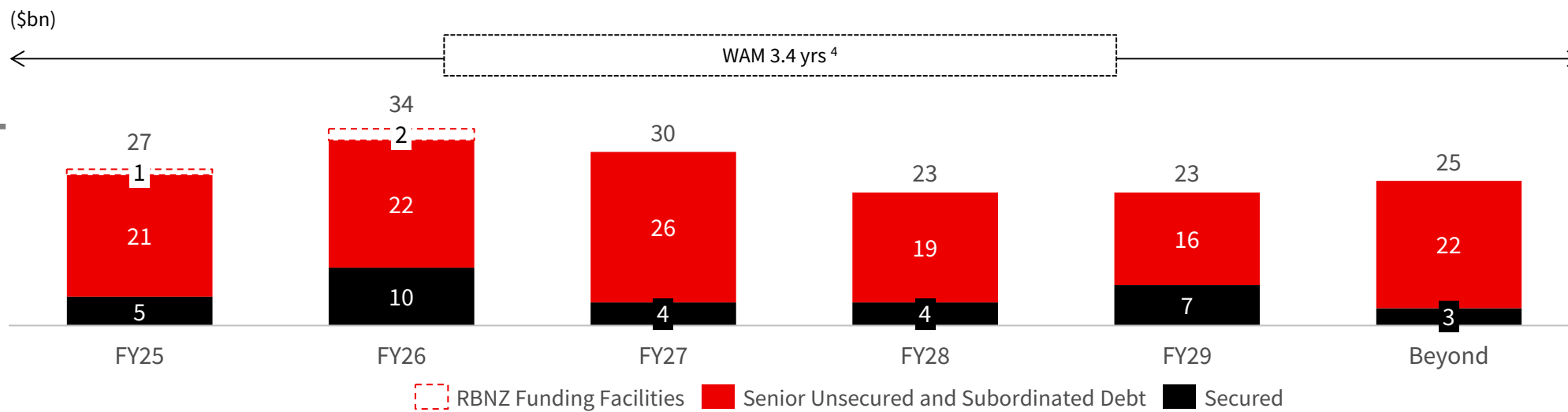


# Term wholesale funding profile

## Historical term funding issuance<sup>1</sup>



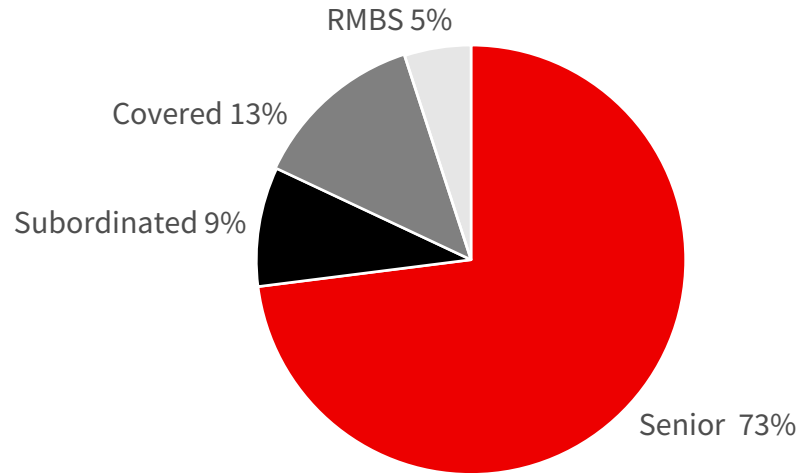
## Term funding maturity profile<sup>3</sup>



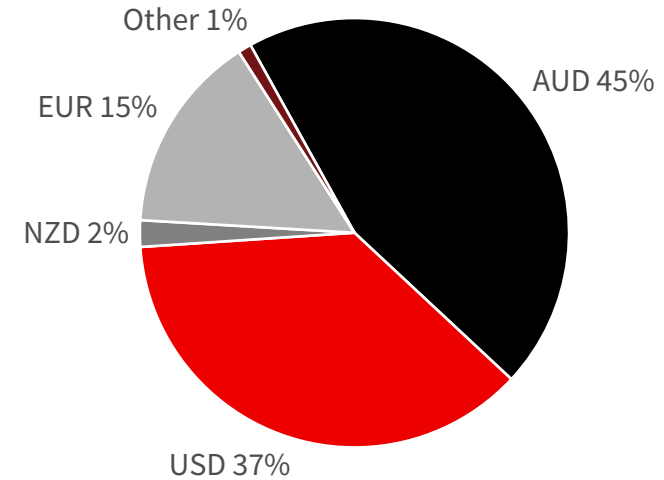
(1) Includes senior unsecured, secured (covered bonds and RMBS) and subordinated debt with an original term to maturity or call date of greater than 12 months, excludes Additional Tier 1 instruments and Citi's RBA Term Funding Facility. FX rate measured at time of issuance  
 (2) Weighted average maturity 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 2024  
 (4) Remaining weighted average maturity, excludes Additional Tier 1, RMBS and RBNZ funding facilities

# Diversified & flexible term wholesale funding portfolio

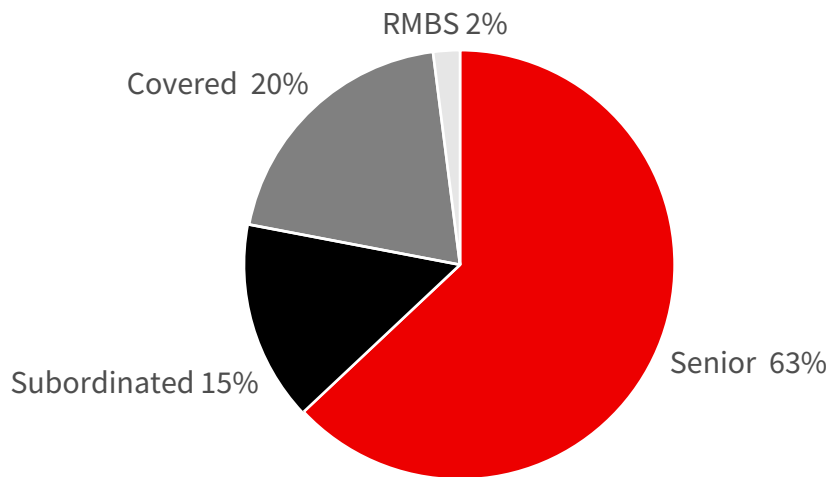
FY24 Issuance by product type<sup>1</sup>



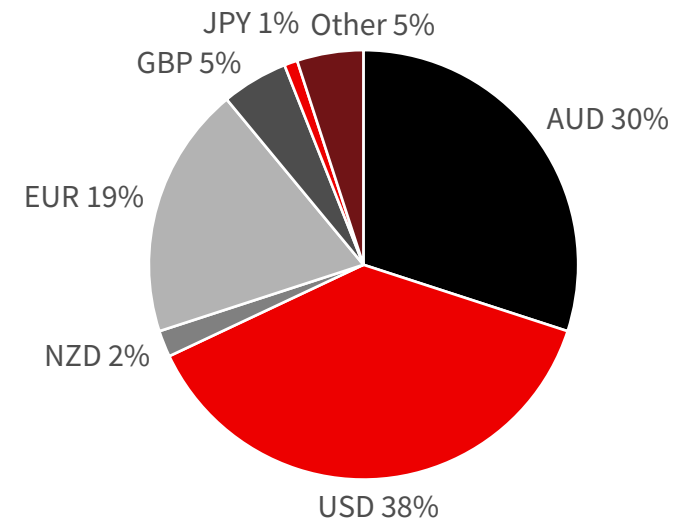
FY24 Issuance by currency<sup>1</sup>



Outstanding issuance by product type<sup>1, 2</sup>



Outstanding issuance by currency<sup>1</sup>



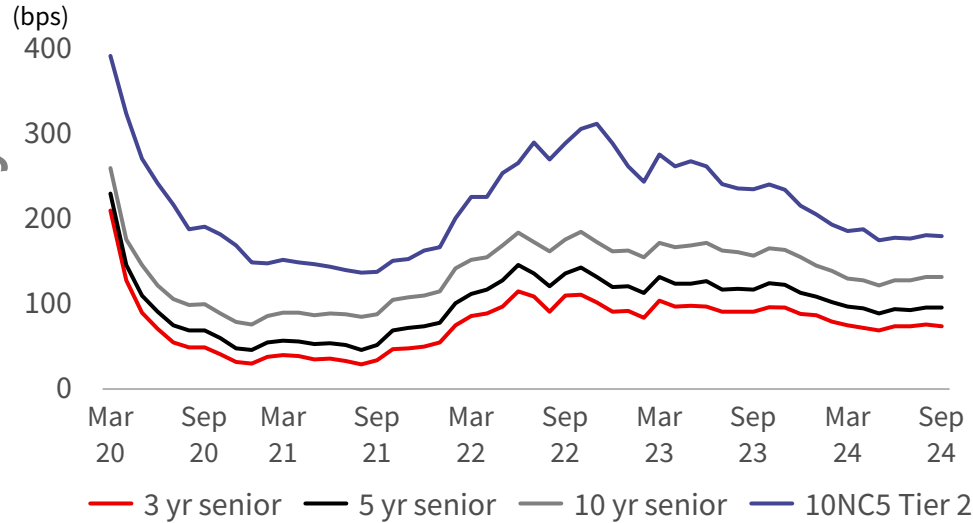
(1) Excludes Additional Tier 1, RBA Term Funding Facility and RBNZ funding facilities

(2) At 30 September 2024, NAB has utilised 46% of its covered bond capacity. Capacity based on current rating agency over collateralisation (OC) and legislative limit

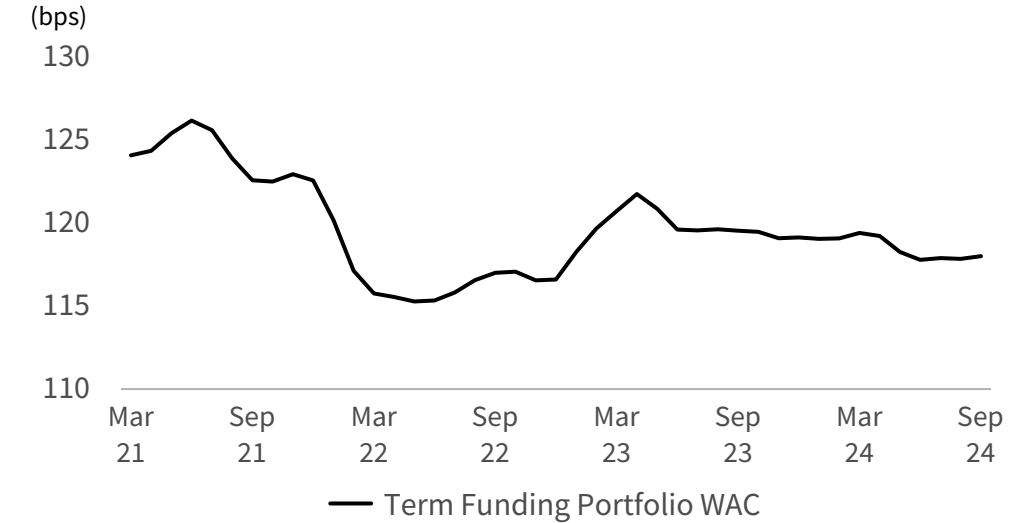
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# Funding costs

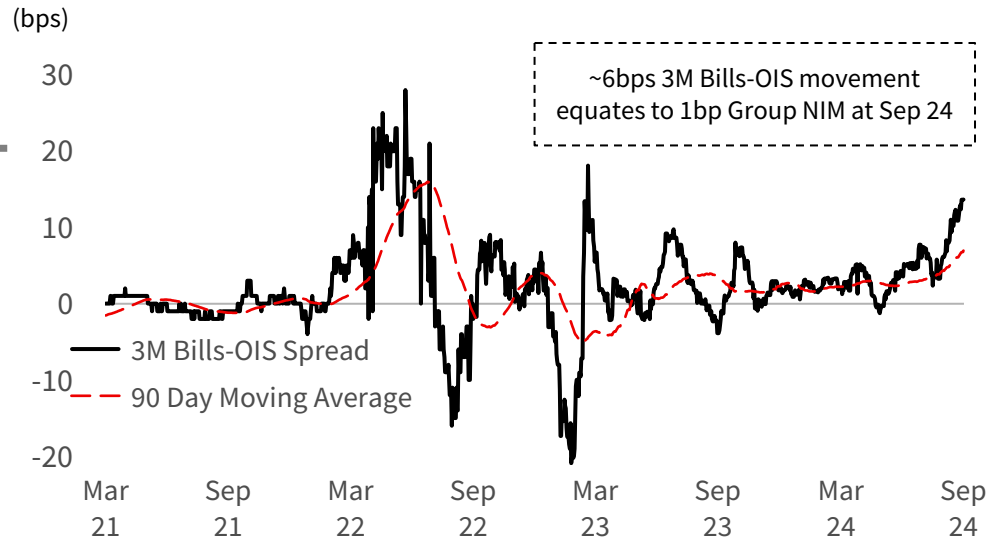
Indicative term wholesale funding issuance costs<sup>1</sup>



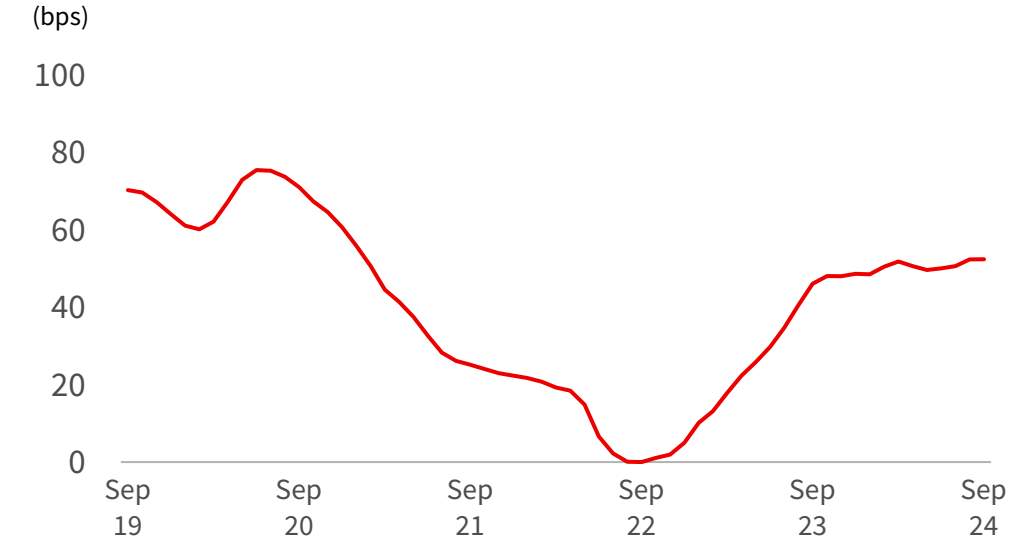
Average term wholesale funding portfolio costs<sup>2</sup>



Domestic short term wholesale funding costs<sup>3</sup>



Australian term deposit portfolio costs<sup>4</sup>



(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 an RBA cash rate change has been smoothed  
 (4) Based on management data. Total deposit portfolio cost over relevant market reference rate. Australia only

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**Additional information**

Sustainability



# Sustainability is embedded in our Group Strategy

Prioritising support for customers in three areas:

<p><b>Climate action</b></p> <p><b>\$80bn</b></p> <p>Environmental finance ambition by 2030 (cumulative basis)<sup>1</sup></p>	<p><b>Access to affordable housing</b></p> <p><b>\$6bn</b></p> <p>Affordable and specialist housing lending ambition by 2029 (cumulative basis)<sup>2</sup></p>	<p><b>First Nations economic advancement</b></p> <p><b>\$1bn</b></p> <p>First Nations business and community organisation lending ambition by end of 2026 (spot basis)<sup>3</sup></p>
--	---	--

## Underpinned by resilient and sustainable business practices

Getting the basics right and managing ESG matters responsibly across our business



Colleagues and culture



Inclusive banking



Risk management



Supply chain management



Human rights

## Aligned to six key United Nations Sustainable Development Goals

Where we can make the biggest impact



[www.un.org/sustainabledevelopment](http://www.un.org/sustainabledevelopment)

- (1) Ambition reflects cumulative total of new financing activity from 1 October 2023 to 30 September 2030. See page 63 of NAB's 2024 Climate Report for further information
- (2) Ambition period commenced 1 October 2022. Includes affordable housing, specialist disability accommodation and sustainable housing. This includes loans made under the First Home Buyer Guarantee, Regional First Home Buyer Guarantee, Family Home Guarantee and New Home Guarantee, as part of the Home Guarantee Scheme for properties under the national median house price, and for borrowers with taxable income below the national median household income. Progress is based on total lending facilities committed, where first draw down occurred during the ambition period, or additional funding was provided during the ambition period for a pre-existing loan facility. This number does not reflect debt balance
- (3) Lending position refers to 'Gross Loans and Advances' to both direct Indigenous Businesses (with >50% Indigenous Ownership) and community organisations whose purpose contributes to Indigenous communities

# FY24 progress against our climate strategy

## Supporting customers to decarbonise and build resilience

- **#1** Australian bank for global renewables transactions<sup>1</sup>
- **\$7.3bn** towards NAB's \$80bn by 2030 environmental financing ambition<sup>2</sup>
- Further developed our Customer Transition Plan assessment framework, including refinements following external review

## Investing in climate capabilities

- **~8,000** colleagues completed foundational climate training since 2023 launch, >10,000 completions of sector-specific training
- Equity investing to advance climate insights, action and fulfilment
- Investing in building data and analytical capabilities through climate risk tools FarmID and HomeID

## Investing in climate advocacy and partnerships

- Partnering with the Macdoch Foundation to support Farming for the Future research, assisting farmers with their natural capital investment decisions
- Engaging to support a just and inclusive transition, including through Climate Finance Asia working group on facility-level just transition

## Reducing financed emissions

- **12** interim decarbonisation targets now set for eight of nine high-emitting sectors, including new targets in June 2024
- Estimated target coverage of ~71% of financed emissions arising as a result of NAB's total lending<sup>3</sup>
- Inclusion of facilitated emissions targets for fossil fuel sectors<sup>4</sup>

Refer to NAB's 2024 Climate Report for details and progress against existing targets

## Reducing operational emissions

- **57%** reduction in Scope 1 and 2 (market-based) GHG emissions compared to 2022 baseline<sup>5</sup>
- **95%** operational electricity consumption sourced from renewable energy (up from 88% in 2023) against target to source 100% by 30 June 2025

(1) Rankings based on IJGlobal League Table MLA, Renewables, both cumulative data from 1 January 2010 to 30 September 2024 and for the 12 months ending 30 September 2024

(2) Includes \$4.03 billion of lending activity and \$3.26 billion of capital markets and trading activity. For further information, see page 63 of NAB's 2024 Climate Report

(3) Excludes BNZ, facilitated emissions, derivatives and exposures to sovereign and financial institutions. Figure is at June 2023. Refer page 89 of NAB's 2024 Climate Report for methodology.

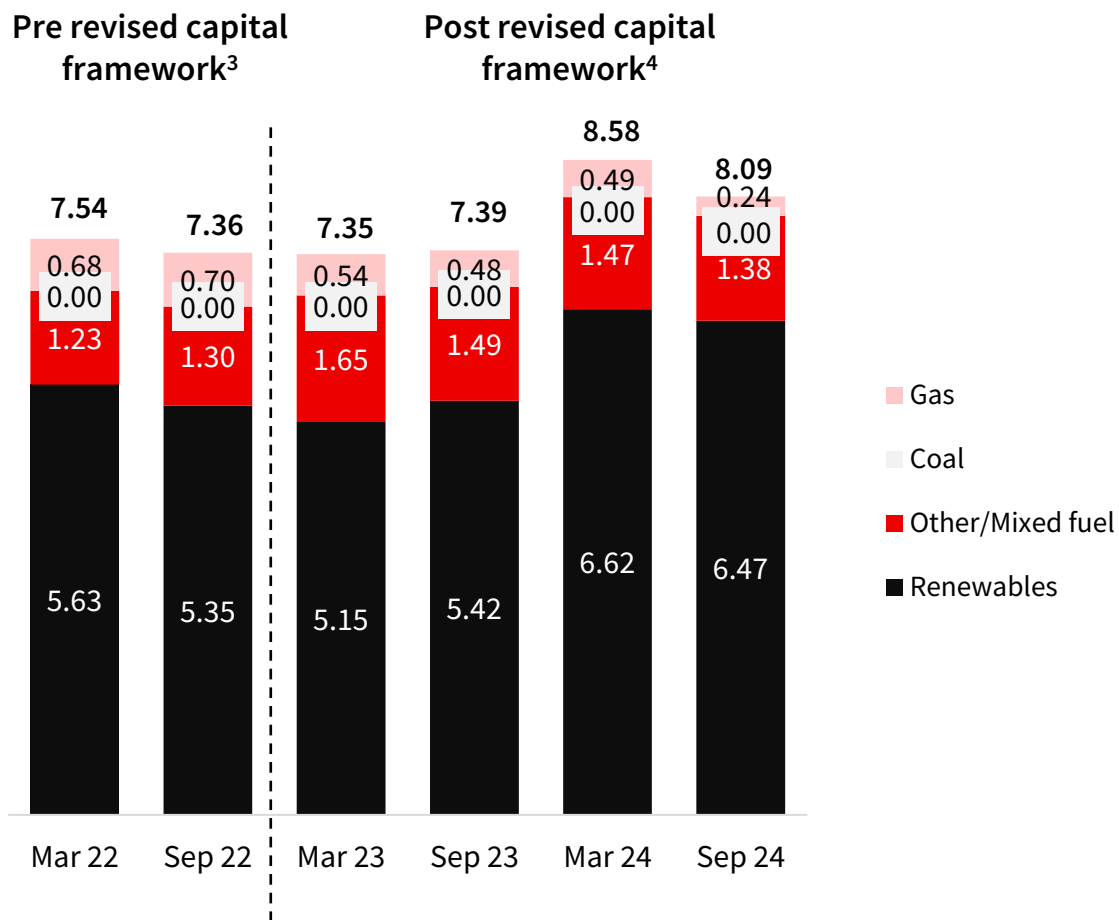
(4) Including power generation, oil and gas, and thermal coal, in line with the updated UNEP FI Guidelines

(5) NAB's operational science-based emissions reduction target is for a 72% reduction in market-based Scope 1 and 2 emissions by 2030 from a 2022 baseline. Based on a 1 July- 30 June environmental year

# Energy generation exposures

Energy generation EAD by fuel source<sup>1,2</sup>  
(AUD\$bn)

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- 80% of total energy generation financing to renewables (increase from 77% at 1H 2024)
- Renewable portfolio represents a mix of wind, hydro and solar energy sources
- NAB has no direct lending<sup>2</sup> to coal-fired power generation assets remaining
- NAB has set an interim sector decarbonisation target for power generation, details available in the 2024 Climate Report

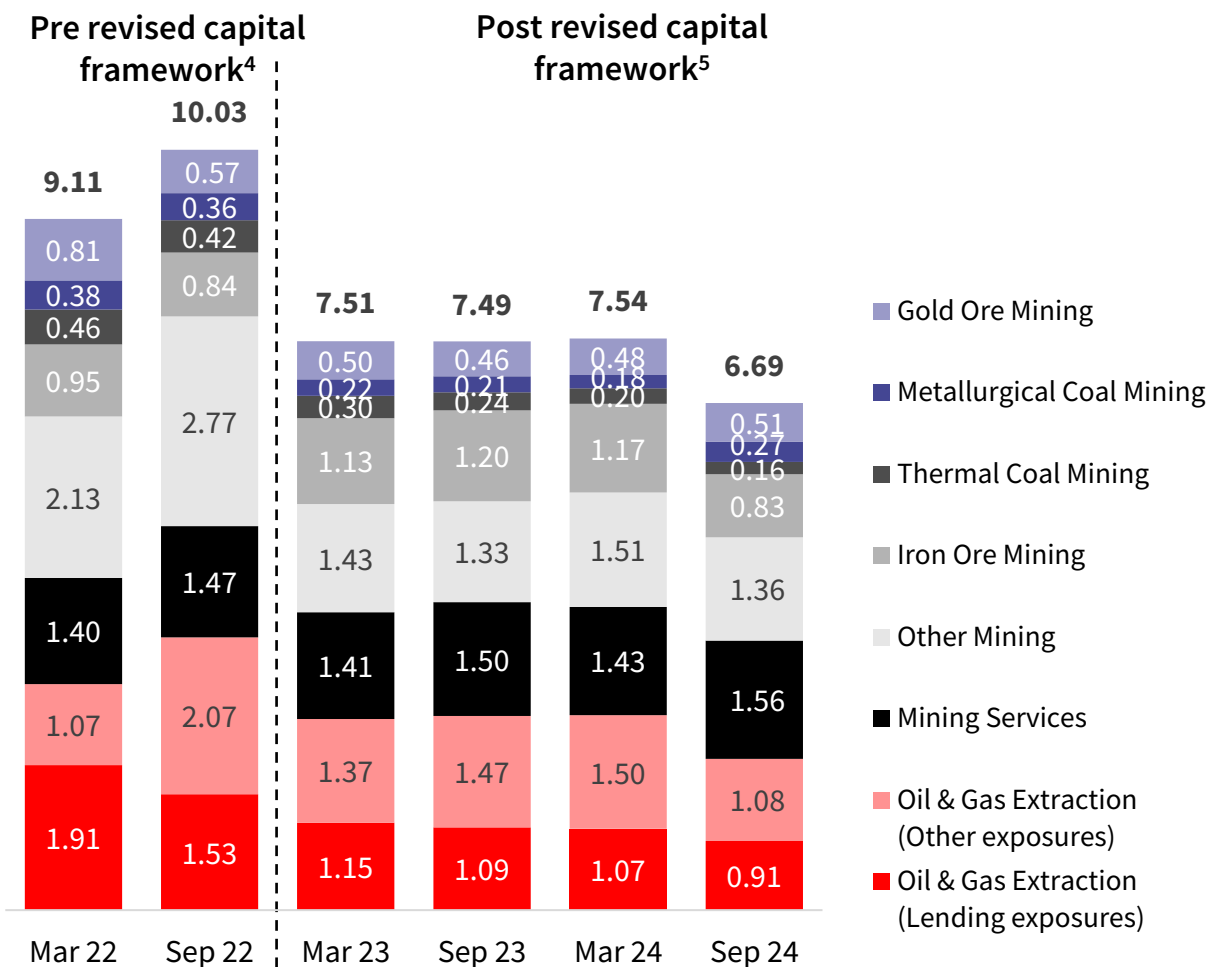
(1) Totals presented in chart may not sum due to rounding  
 (2) NAB methodology (based upon the 1993 ANZSIC codes) at net EAD basis. Excludes exposure to counterparties predominantly involved in transmission and distribution. Vertically integrated retailers included and categorised as renewable where 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 portfolios  
 (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) Disclosures from Mar 23 reported under APRA's revised capital framework, effective from 1 January 2023

# Resources exposures

## Resources EAD by type<sup>1,2,3</sup>

(AUD\$bn)

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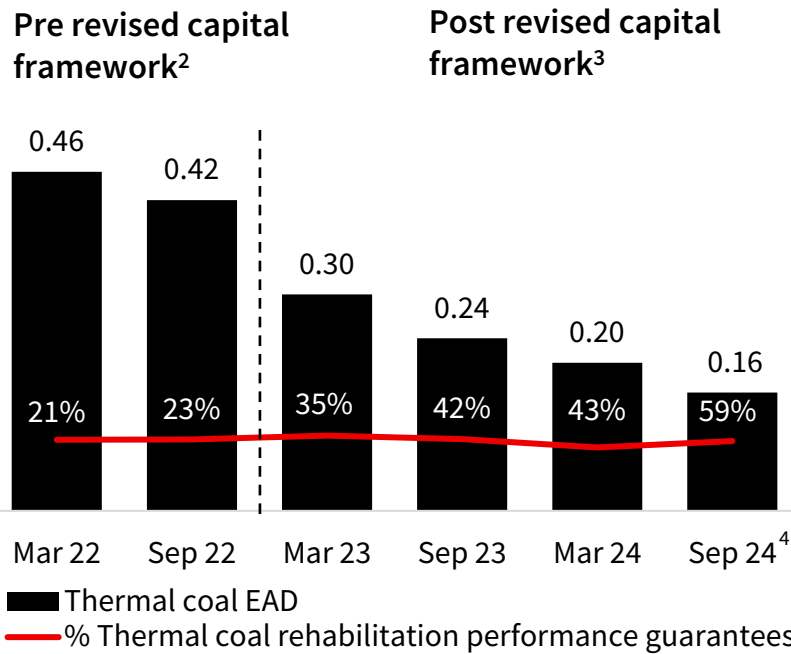
- Decreasing exposure to thermal coal, on track to be effectively zero<sup>6</sup> by 2030 excluding performance guarantees for rehabilitation of existing coal mining assets
- Rehabilitation performance guarantees account for 59% of NAB's thermal coal mining exposure in FY24
- From 1 January 2023, the revised capital framework<sup>4</sup> 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, repurchase agreements)  
 (3) Thermal coal exposure means direct exposure to customers and projects whose primary activity is thermal coal mining, based upon the recorded 1993 ANZSIC codes on a net EAD basis. Includes lending, derivatives, financial guarantees and performance guarantees for the rehabilitation of existing assets. It excludes metallurgical coal mining, diversified mining customers and transactional banking (including deposit services) that do not give rise to EAD and similar ancillary products and services.  
 (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) Disclosures from Mar 23 reported under APRA's revised capital framework, effective from 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 and facilitated emissions coverage of NAB's thermal coal sector target

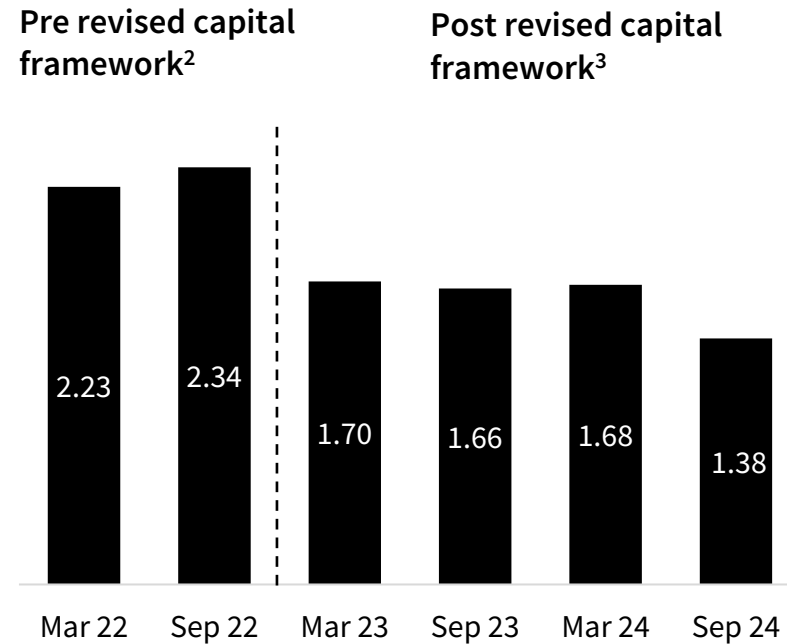


# Thermal coal mining and oil and gas limits

## Thermal coal mining (AUD\$bn) exposure<sup>1</sup>



## Oil and gas extraction - (USD\$bn) exposure<sup>5</sup>



- Oil and gas presented in USD as majority of portfolio is denominated in USD<sup>6</sup>
- NAB's Net Zero Banking Alliance-aligned oil and gas sector target guides intended financed and facilitated emissions reduction. See 2024 Climate Report for full details

- Since 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

As part of its annual review process, NAB is updating its coal and oil and gas ESG-related policies and risk appetite settings. See pages 26-27 of NAB's 2024 Climate Report.

(1) Thermal coal exposure means direct exposure to customers and projects whose primary activity is thermal coal mining, based upon the recorded 1993 ANZSIC codes on a net EAD basis. Includes lending, derivatives, financial guarantees and performance guarantees for the rehabilitation of existing assets. It excludes metallurgical coal mining, diversified mining customers and transactional banking (including deposit services) that do not give rise to EAD and similar ancillary products and services.

(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) Disclosures from Mar 23 reported under APRA's revised capital framework, effective from 1 January 2023

(4) At Sep 24, rehabilitation performance guarantees account for 59% of NAB's thermal coal mining exposure, the remaining exposure is predominantly financial guarantees

(5) Oil and gas extraction exposures includes lending (e.g. revolving/term lending and guarantees) and other markets-related exposures (e.g. derivatives, repurchase agreements)

(6) Relevant exposure conversions based on rates of AUD/USD 0.74855 (Mar 22); AUD/USD 0.64925 (Sep 22); AUD/USD 0.67140 (Mar 23); AUS/USD 0.64765 (Sep 23); AUS/USD 0.6529 (Mar 24); AUS/USD 0.69295 (Sep 24)

## Nature and biodiversity

Understanding and supporting our customers.

- Partnering with Macdoch Foundation to support Farming for the Future research, developing insights that can allow customers to understand the relationship between natural capital and business resilience<sup>1</sup>
- **Developing our understanding of lending portfolio risk**
  - Further developed our assessment of lending portfolio nature-related impacts and dependencies to include exposures (EAD), following a review by the University of Melbourne
- Recognising the importance and complexity of **managing deforestation risk**, this year NAB:
  - Engaged with customers, including in the agri sector, as well as government and industry bodies to further understand challenges and strengthen our approach
  - Updated risk management and due diligence process and land valuation process to further incorporate land use change and land clearing activity
  - Continued to explore incorporation of land use change data within Farm ID to support decision making

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NAB's 2024 nature-related disclosures are informed by the Taskforce on Nature-related Financial Disclosures (TNFD) pillars, see pages 41- 45 of NAB's 2024 Annual Report

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(1) The full research findings are available at <https://farmingforthefuture.org.au/resources/research-report/>

## Helping communities withstand natural disasters

- The **NAB Foundation** is supporting communities to withstand and recover from natural disasters, including:
  - **\$1.2m** community grants for local resilience projects
  - **>230** NAB colleagues volunteered across Australia to help with clean-up efforts, enabled by our Disaster Relief Australia partnership
- **\$549k** in disaster relief grants provided by NAB in 2024 to customers and communities impacted by 23 flood, fire and storm events across Australia
- Piloted the Bushfire Resilience Rating Home self-assessment app in partnership with Resilient Building Council, helping customers in Shoalhaven NSW to protect their homes



NAB Foundation Recovery Crew members, a group of everyday Australians who volunteer to help rebuild communities.

# FY24 Update: Housing and First Nations advancement

## Affordable and specialist housing

- **\$2.1bn** lending provided to help more Australians access affordable and specialist housing<sup>1</sup> against target to lend cumulative **\$6bn** between 2023 – 2029

Progress in 2024 included:

- Supporting Synergis and Inspire Impact's Specialist Disability Accommodation Funds which will deliver >500 new homes across Victoria, Queensland and South Australia
- Supported ~3,750 first home-owners through the First Home Guarantee scheme

## Providing philanthropic support

- Nabtrade October 2023 Charity Trading Day donated \$200,000 to Good Shepherd's Marrickville affordable housing project, a new purpose-built 40-home site for women 50+ at risk of homelessness

## Economic advancement for First Nations people

- **\$464m** (up 11% YoY) against target to get to \$1bn in lending on a spot basis to First Nations businesses and community organisations by end of 2026<sup>2</sup>



- **\$15m** (up from \$6m in 2023) spent with First Nations suppliers (against target of \$15m in 2024)
- **\$17.3m** in No Interest Loans (NILS) provided to First Nations customers (28% of total NILS provided), up from \$16.4m in FY23.
- NAB Foundation funding First Nations-led research: new Gari Yala report on First Nations workplace inclusion and cultural safety<sup>3</sup>

See NAB's **Reconciliation Action Plan 2024-2027** for further detail on our ambitions.

(1) Includes affordable housing, specialist disability accommodation and sustainable housing. This includes loans made under the First Home Buyer Guarantee, Regional First Home Buyer Guarantee, Family Home Guarantee and New Home Guarantee, as part of the Home Guarantee Scheme for properties under the national median house price, and for borrowers with taxable income below the national median household income. Progress is based on total lending facilities committed, where first draw down occurred during the ambition period, or additional funding was provided during the ambition period for a pre-existing loan facility. This number does not reflect debt balance

(2) Lending position refers to 'Gross Loans and Advances' to both direct Indigenous Businesses (with >50% Indigenous Ownership) and community organisations whose purpose contributes to Indigenous communities. Lending update calculated as at 31 August 2024, baseline position (\$417.2m) calculated as at 31 August 2023 and has been restated in 2024.

(3) University of Technology Sydney Jumbunna Institute/Business School and Diversity Council Australia partnering on new Gari Yala report

# FY24 Update: Inclusive and accessible banking

## Supporting customers experiencing vulnerability

### Supporting customers

- >2,800 customers assisted by NAB's Customer Support Hub – provides specialised extra care to customers experiencing challenges such as mental health, domestic and family violence
- 169,915 abusive transactions blocked via Internet and Mobile banking
- Reviewed selected products for accessibility, inclusion and vulnerability considerations to drive improvement. Review will be expanded and embedded in product governance

### Building capability

- >17,000 colleagues provided with new training to better identify and assist customers experiencing vulnerability

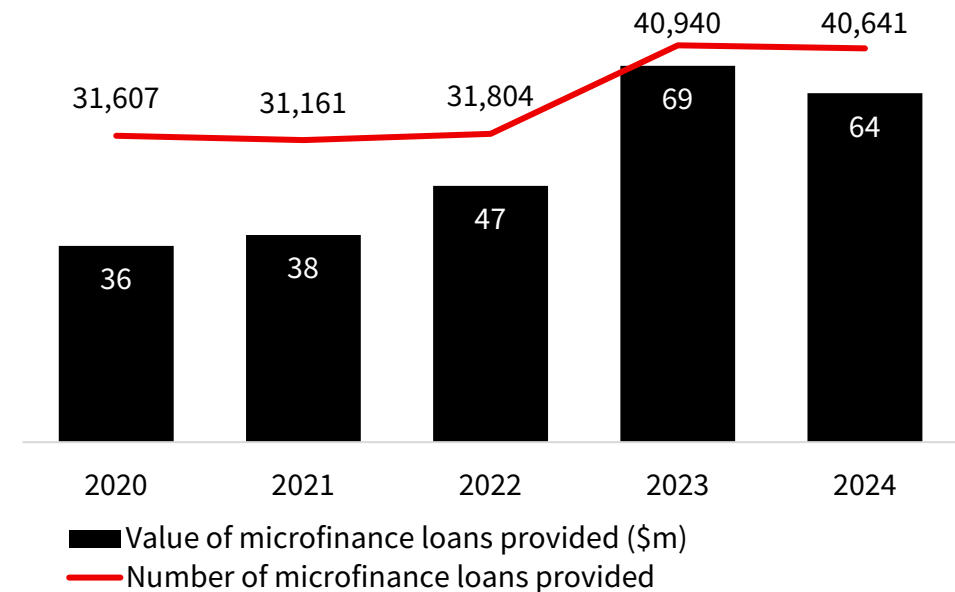


Refreshed our Framework for Customers Experiencing Vulnerability 2024-2026, setting out ambition and focus areas:

- identify vulnerability earlier
- provide extra care to customers and
- build financial resilience

Available: [nab.com.au/customersupport](https://nab.com.au/customersupport)

## Supporting customers with microfinance<sup>1</sup>



- NAB has partnered with Good Shepherd Australia New Zealand for 21 years to help Australians experiencing vulnerability with safe and affordable access to no interest loans (NILs)
- Since 2003, provided 418,945 loans, worth \$547m.<sup>1,2</sup>
- Volumes broadly consistent with 2023, slight reduction in value of loans provided, due to reduced number of higher value vehicle loans

(1) Products provided in partnership with Good Shepherd Australia New Zealand. From 2022, all products provided are No Interest Loans Scheme (NILS) products. Cumulative totals include retired products (StepUP, Speckle and Community Development Financial Institution loans)  
 (2) Cumulative data since 2003

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**Additional information**

Economic data





# Australia and NZ key economic indicators

## Australian economic indicators (%)<sup>1</sup>

	CY22	CY23	CY24(f)	CY25(f)	CY26(f)
GDP growth <sup>2</sup>	2.6	1.6	1.0	2.2	2.3
Unemployment <sup>3</sup>	3.5	3.9	4.4	4.5	4.3
Trimmed-mean inflation <sup>4</sup>	6.8	4.1	3.4	2.6	2.3
Cash rate target <sup>3</sup>	3.10	4.35	4.35	3.35	3.10

## NZ Economic indicators (%)<sup>1</sup>

	CY22	CY23	CY24(f)	CY25(f)	CY26(f)
GDP growth <sup>2</sup>	2.2	0.0	-0.3	3.0	2.9
Unemployment <sup>3</sup>	3.4	4.0	5.2	5.3	5.0
Inflation <sup>4</sup>	7.2	4.7	2.3	1.6	2.1
Cash rate (OCR) <sup>3</sup>	4.25	5.50	4.25	2.75	3.25

## Australian system growth (%)<sup>5</sup>

	FY22	FY23	FY24	FY25(f)	FY26(f)
Housing	7.4	4.2	5.1	4.3	4.5
Personal	-0.2	2.0	2.4	1.8	2.4
Business	13.3	6.6	7.5	4.9	4.5
Total lending	8.9	4.9	5.8	4.4	4.4
System deposits	7.7	5.3	5.6	3.9	4.1

## NZ System growth (%)<sup>5</sup>

	FY22	FY23	FY24	FY25(f)	FY26(f)
Housing	5.7	3.0	3.3	3.9	5.2
Personal	1.9	4.9	1.3	-3.6	0.5
Business	5.7	1.1	1.9	1.6	4.5
Total lending	5.6	2.4	2.8	2.9	4.8
Household retail deposits	7.7	5.3	5.5	2.9	4.8

(1) Sources: ABS, Econdata DX, RBA, RBNZ, Stats NZ, NAB Economics

(2) December quarter on December quarter of previous year

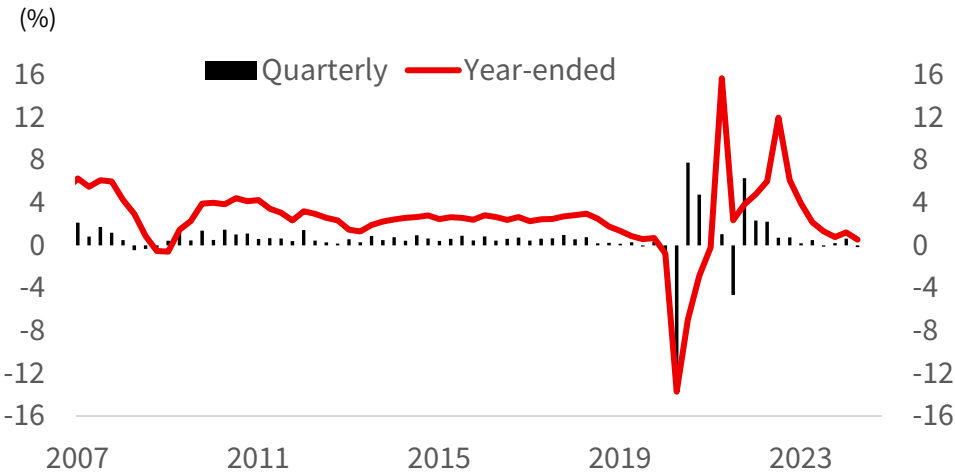
(3) As at December quarter

(4) December quarter on December quarter of previous year. For Australia, trimmed-mean measure of underlying inflation

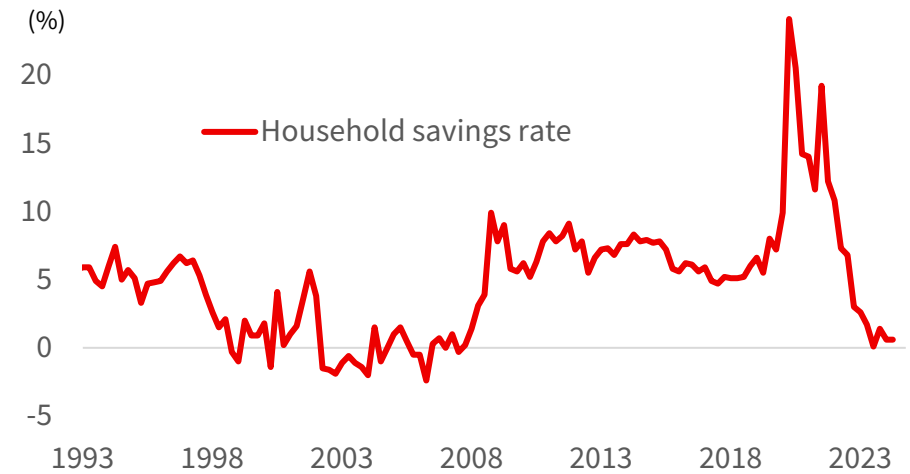
(5) Source: RBA, RBNZ, NAB. Bank fiscal year-ended (September). NZ business credit includes credit to Agriculture and is calculated from break adjusted data

# Consumers are adjusting, but the labour market has held up

Consumption growth has slowed<sup>1</sup>



The household savings rate has fallen as real incomes have been pressured<sup>2</sup>



Unemployment rate has trended higher but remains low<sup>3</sup>



Job vacancies have fallen but remain elevated<sup>4</sup>

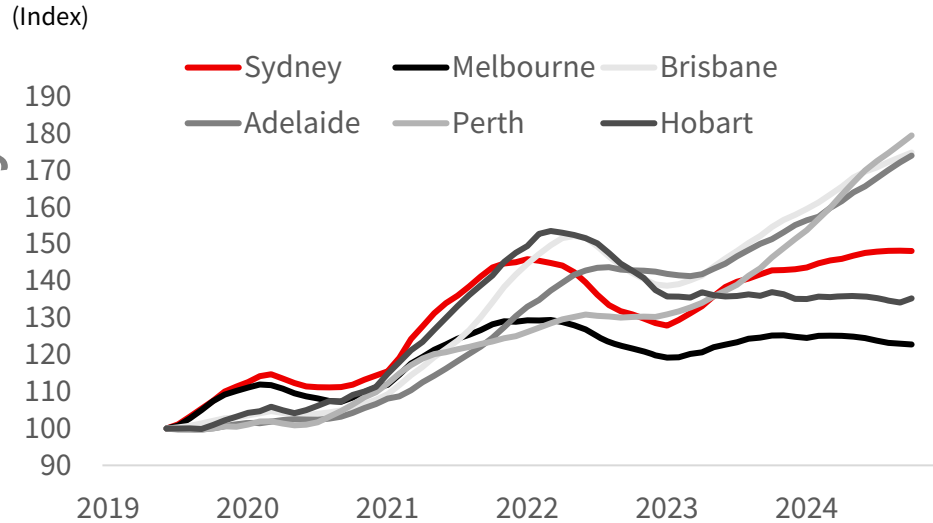


(1) Source: ABS, Macrobond. Household final consumption expenditure from the ABS Quarterly National Accounts release. Data to June quarter 2024  
 (2) Source: ABS, Macrobond. Net savings rate from the ABS Quarterly National Accounts release. Data to June quarter 2024  
 (3) Source: ABS, Macrobond. Data to September 2024  
 (4) Source: ABS, Macrobond. Australia-wide job vacancies. Data to August 2024

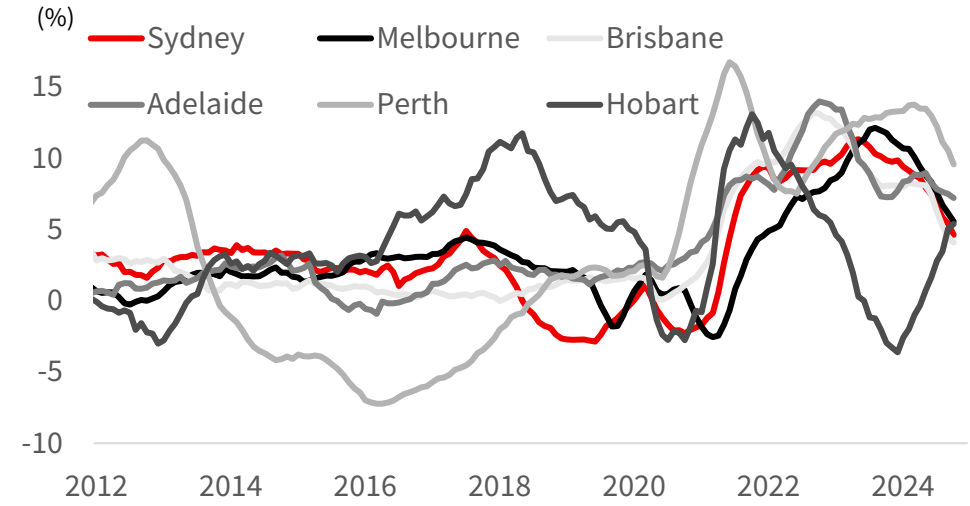
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# House prices have rebounded and rents remain strong

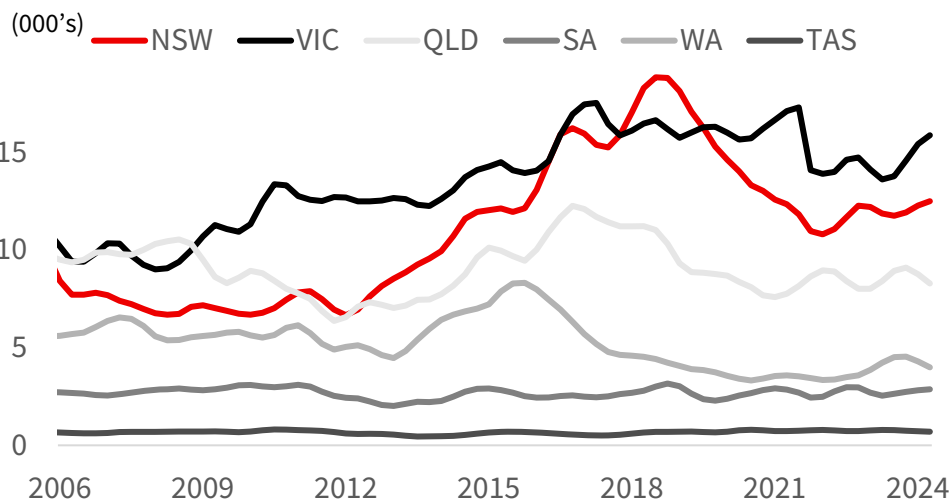
## House prices growth has diverged across states<sup>1</sup>



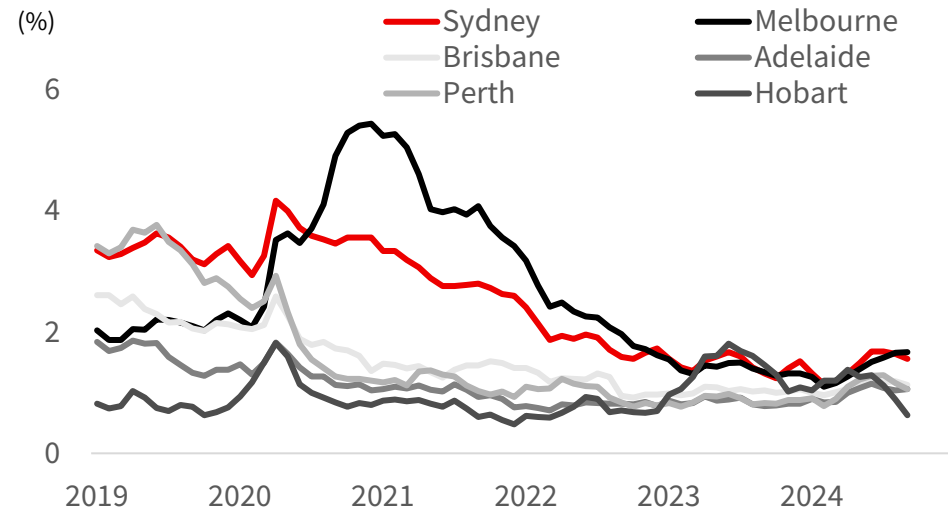
## Rents growth has been strong in most capital cities<sup>2</sup>



## Dwelling completions remain low relative to demand<sup>3</sup>



## Rental vacancy rates have ticked up but remain low<sup>4</sup>



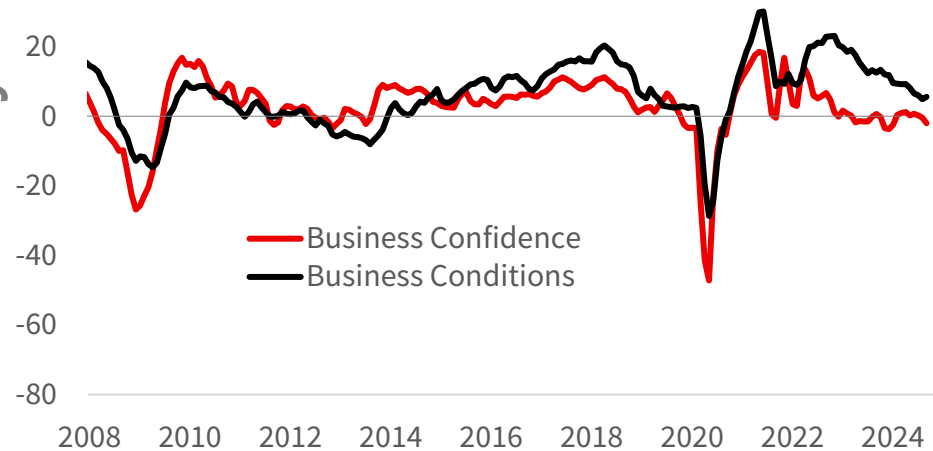
(1) Source: CoreLogic. Greater Capital City Hedonic Dwelling Price Index, Index June 2019 = 100. Data to 31 October 2024  
 (2) Source: CoreLogic. Hedonic measure of advertised rents. Data to 31 October 2024  
 (3) Source: ABS, Macrobond. Data are ABS Building Activity Dwelling completions by state (Trend). Data to June quarter 2024  
 (4) Source: PropTrack. Data to 30 September 2024



# The business sector has remained resilient

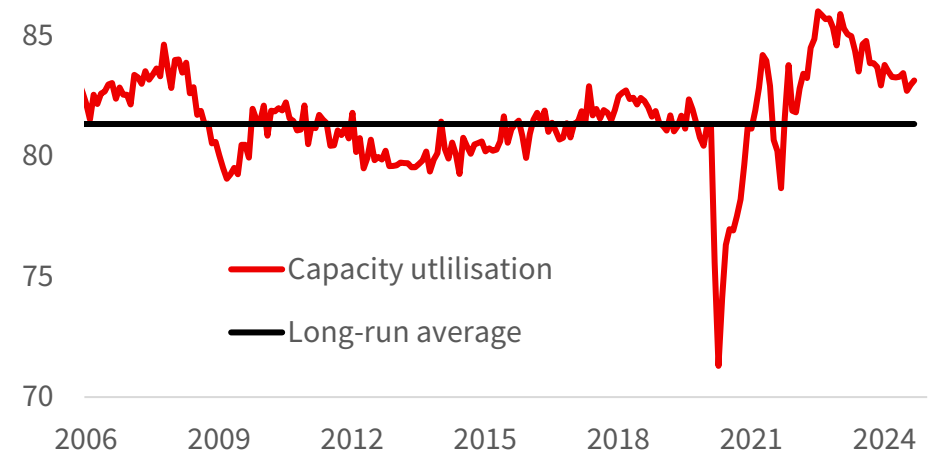
Confidence is low, but conditions are around average<sup>1</sup>

(Net Bal.)



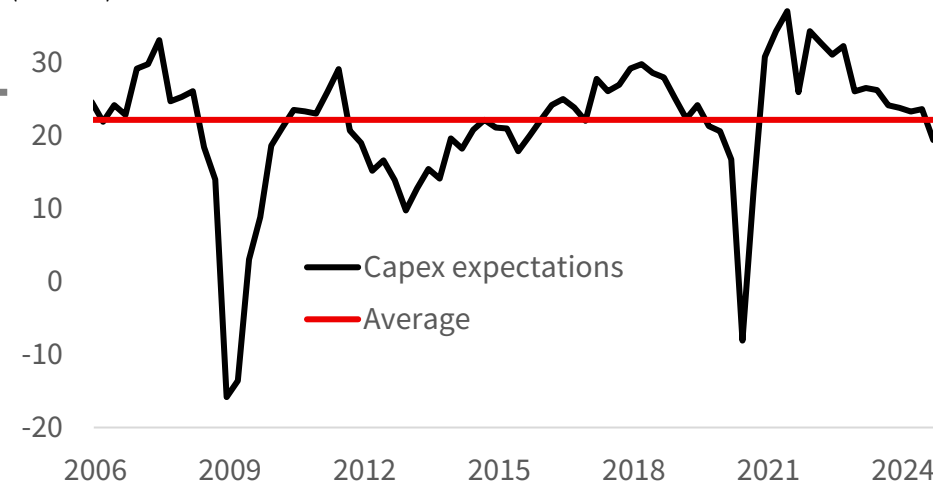
Capacity utilisation is above average<sup>1</sup>

(%)



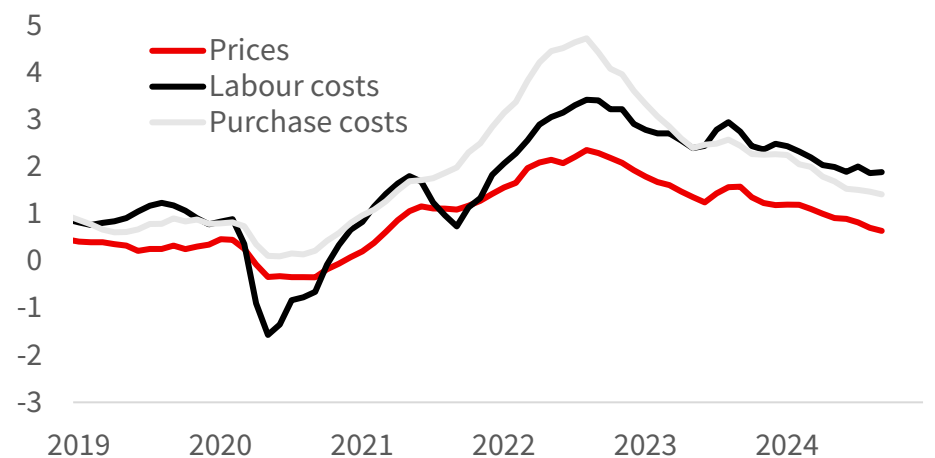
Investment Intentions have eased<sup>2</sup>

(Net Bal.)



Price and cost growth is easing<sup>1</sup>

(% Quarterly Rate)

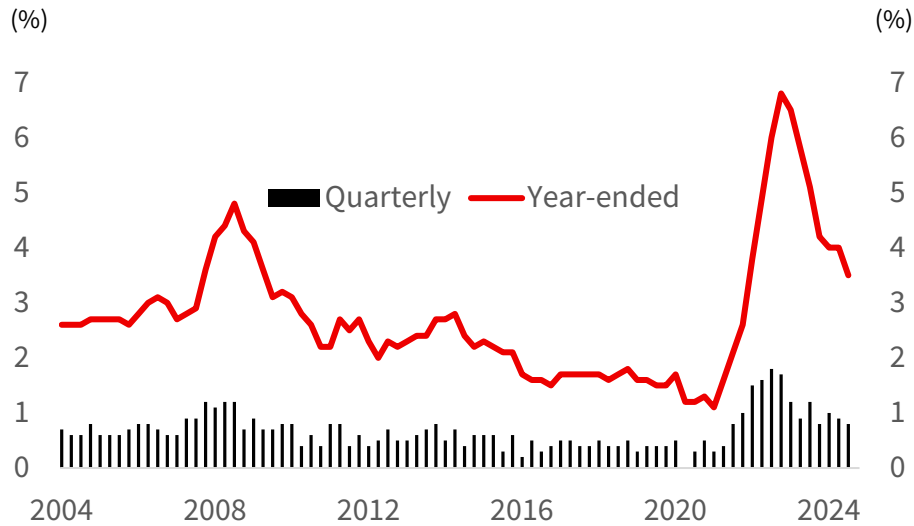


(1) Source: NAB Economics. Three-month moving average of all industry measures from the NAB Monthly Business Survey. Data to September 2024

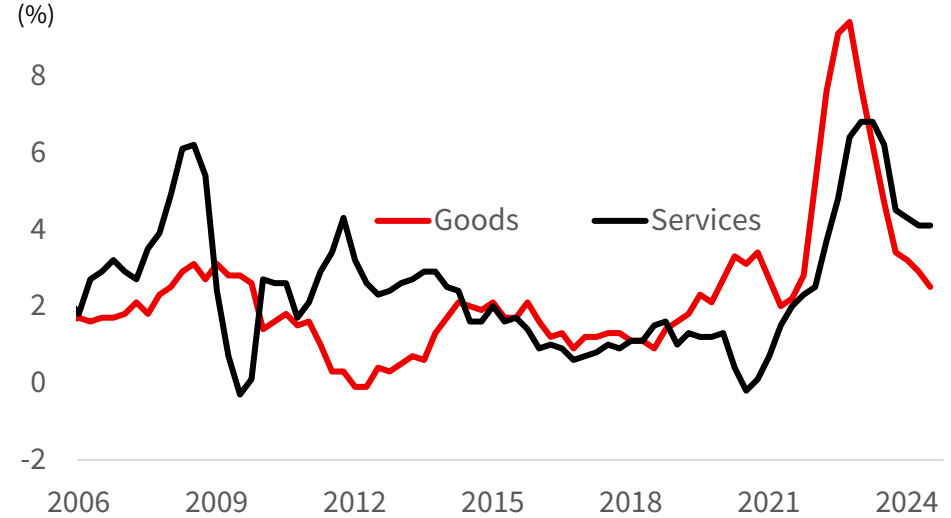
(2) Source: NAB Economics. Data to September 2024

# Inflation is high but moderating

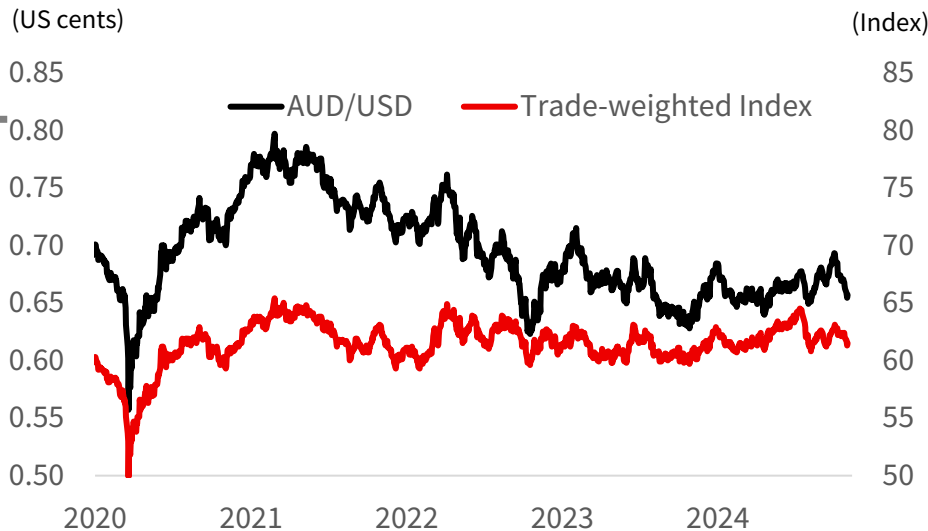
Inflation has moderated but remains above target<sup>1</sup>



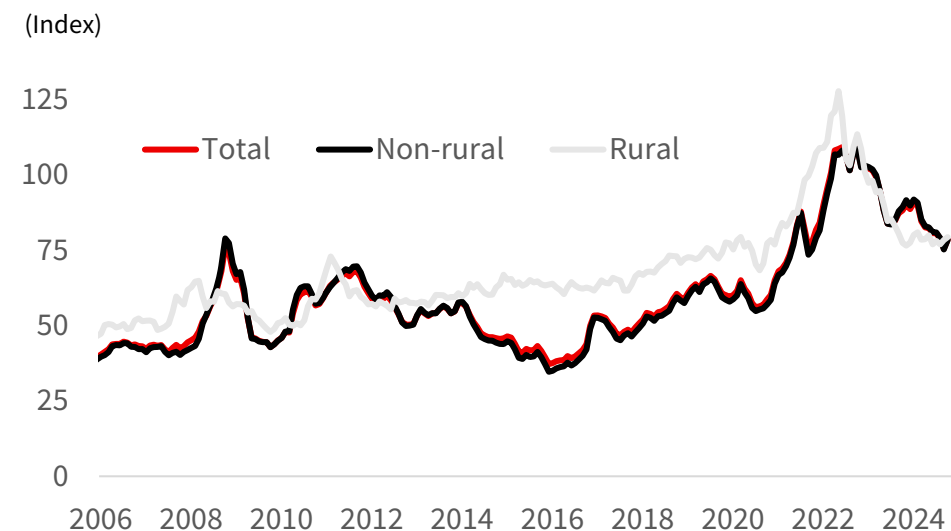
Services inflation has been more persistent<sup>2</sup>



The exchange rate is tracking below US70c<sup>3</sup>



Commodity prices have eased but remain high<sup>4</sup>



(1) Source: ABS, Macrobond. ABS Trimmed-mean measure of CPI Inflation. Data to September quarter 2024

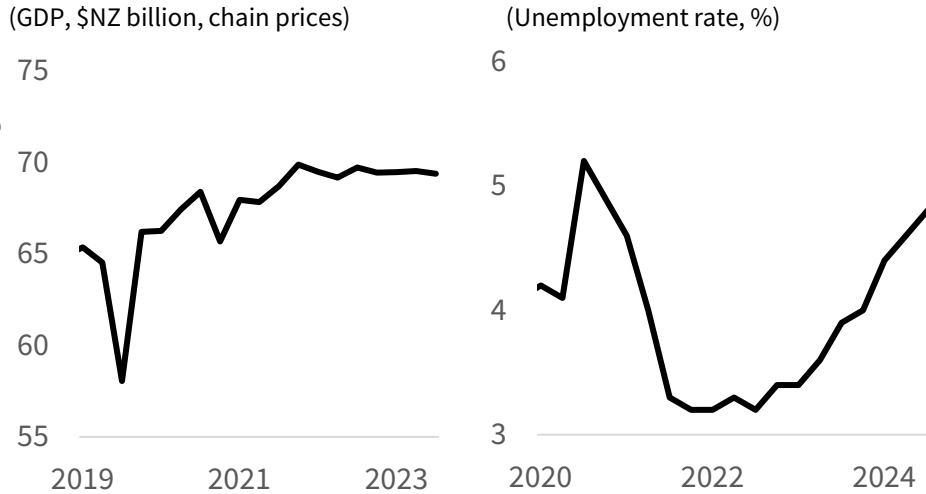
(2) Source: ABS, Macrobond. Market goods and services measures from the ABS Quarterly CPI release. Data to September quarter 2024

(3) Source: RBA, Macrobond. TWI index base May 1970 = 100. Data to 31 October 2024

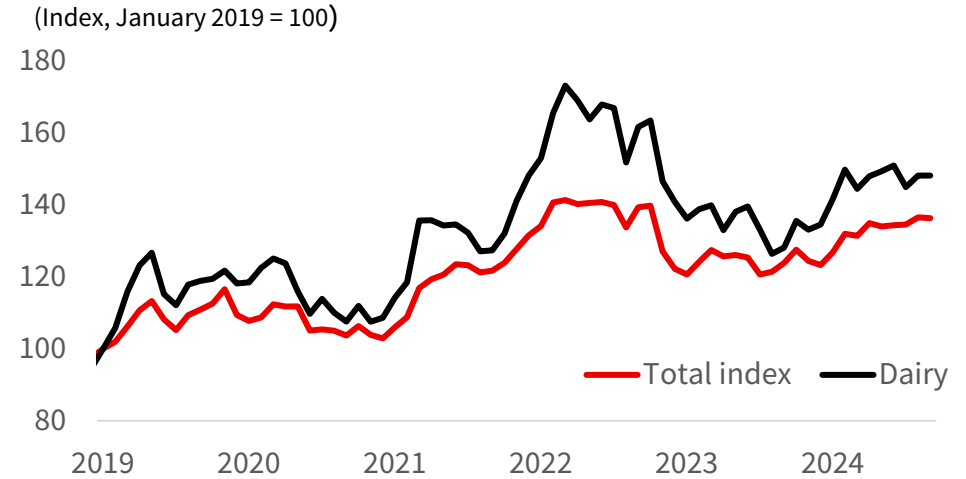
(4) Source: RBA, Macrobond. Index base 2022/23 = 100. Data to 31 October 2024

# New Zealand economy

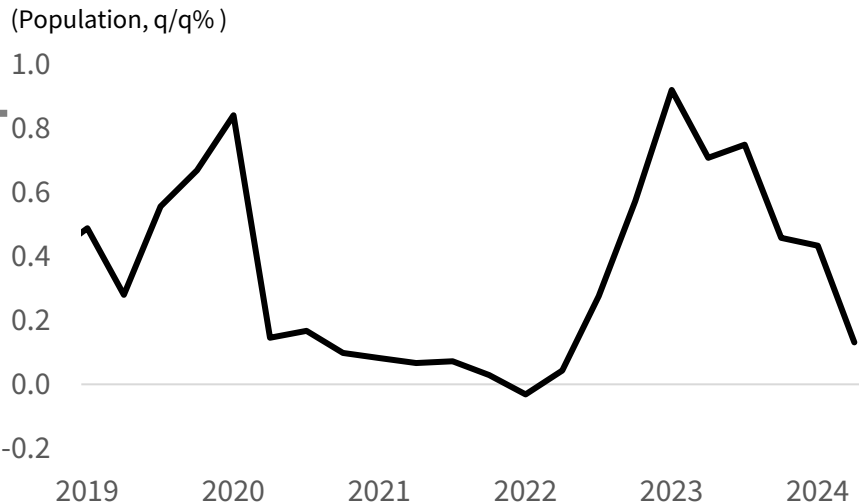
Economy has contracted since Q3 2022, unemployment rate still low but has moved up<sup>1</sup>



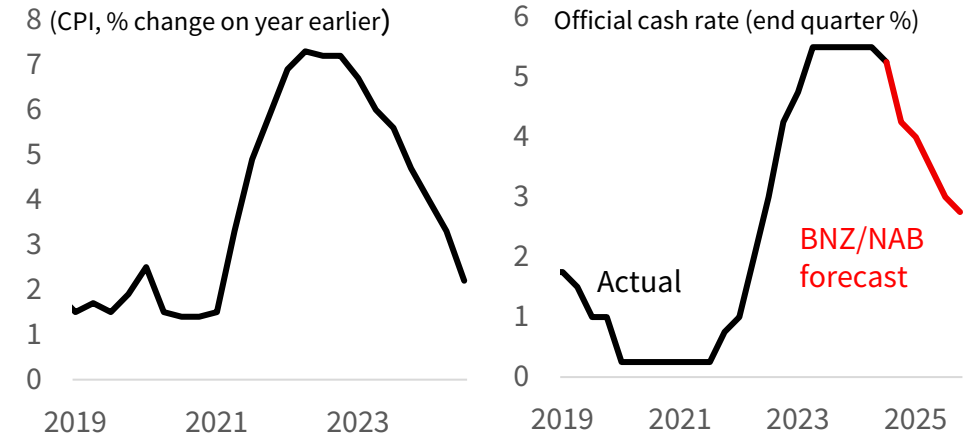
Recovery in commodity export prices over 2024<sup>2</sup>



Population growth has slowed considerably<sup>3</sup>



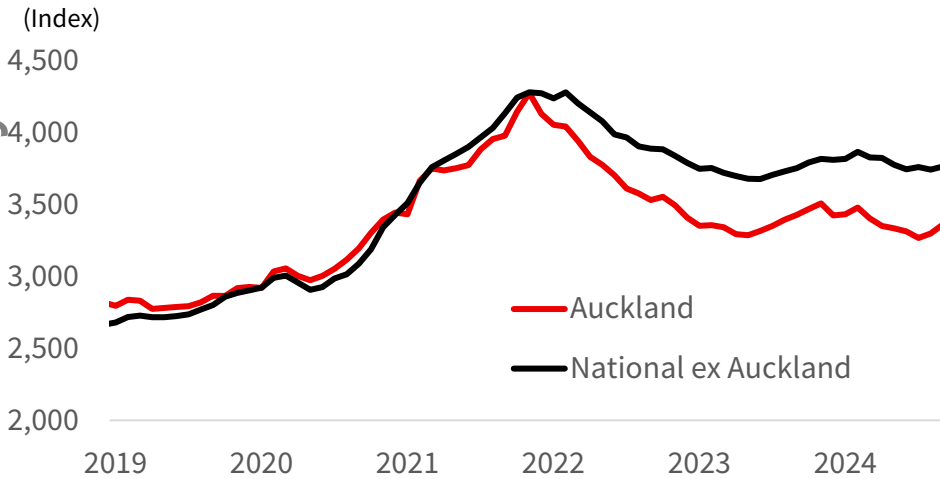
Inflation within RBNZ target range and further reductions in the OCR are expected<sup>4</sup>



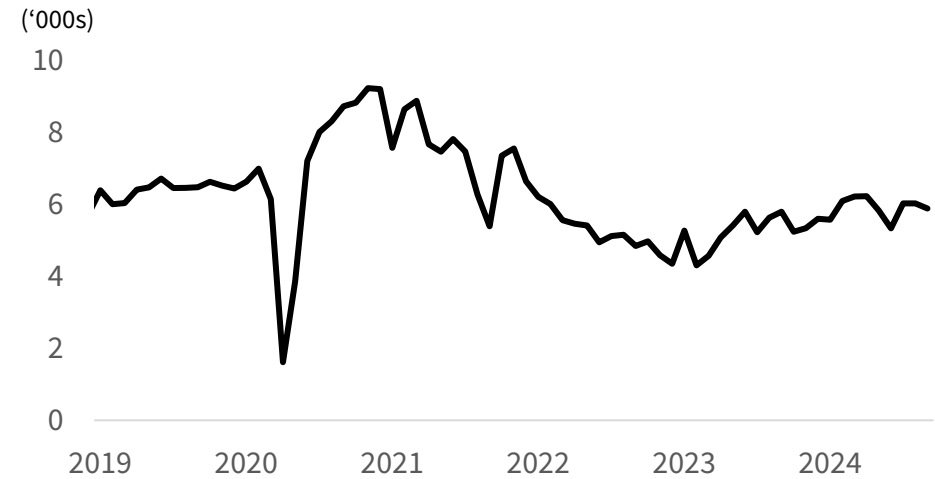
(1) Source: Refinitiv, Stats NZ. GDP data to June quarter 2024, unemployment rate data to September quarter 2024  
 (2) Source: Macrobond, ANZ Commodity Price Index, NZ dollar indices. Data to September 2024  
 (3) Source: Refinitiv, Macrobond, Stats NZ. Population data to June quarter 2024  
 (4) Refinitiv, Stats NZ, RBNZ, BNZ. CPI data to Sep. quarter 2024. Cash rate data to Sep. quarter 2024 (actual), December quarter 2025 (projected)

# New Zealand housing

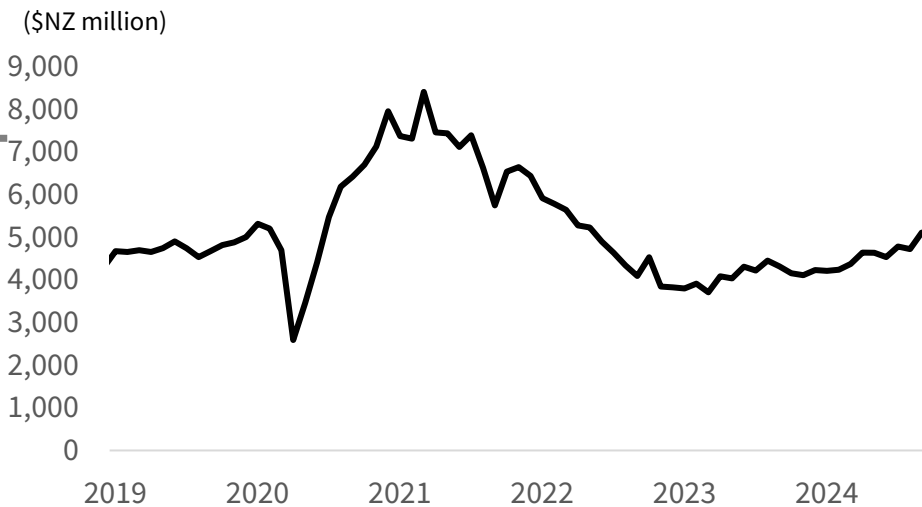
House prices have been under pressure, but have stabilised in recent months<sup>1</sup>



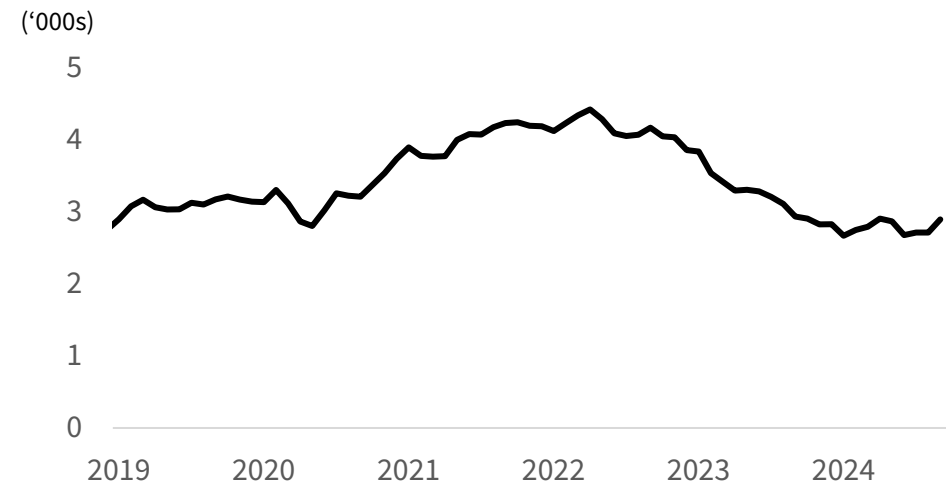
Sales volumes up in 2024, but still at a modest level<sup>2</sup>



New residential mortgage lending trending up<sup>3</sup>



Dwelling approvals (consents) have levelled out at a low level<sup>4</sup>



(1) Source: Macrobond, REINZ. Data to September 2024

(2) Source: Macrobond, REINZ. Seasonally adjusted by Macrobond. Data to September 2024

(3) Source: RBNZ. Seasonally adjusted by Macrobond, excludes loans where purpose is change in loan provider. Data to September 2024

(4) Source: Refinitiv, Stats NZ. Three month moving average of seasonally adjusted new dwellings consented. Data to September 2024

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# Abbreviations and disclaimers



# Abbreviations



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ALA	Alternative Liquid Assets
CET1	Common Equity Tier 1 Capital
CIC	Credit impairment charge
CLF	Committed Liquidity Facility
CP	Collective Provision
CTI	Cost to income ratio
Citi or Citi Consumer Business	Citigroup's Australian consumer business, acquired by the NAB Group on 1 June 2022
CSLR	Compensation Scheme of Last Resort
DPD	Days Past Due
DLVR	Dynamic Loan to Value Ratio
DRP	Dividend Reinvestment Plan
DTI	Debt to income ratio
EAD	Exposure at Default
EA	Economic Adjustment
ECL	Expected Credit Losses
EPS	Earnings Per Share
EU	AUSTRAC Enforceable Undertaking
FirstCape	FirstCape Group Limited was established to combine the Group's New Zealand wealth businesses and Jarden Wealth and Asset Management Holdings Limited's wealth and asset management business. References to FirstCape in the document refer to FirstCape Group Limited and/or its subsidiaries
FHB	Front home buyer
FTEs	Full-time Equivalent Employees
GHG	Greenhouse Gas
GIAs	Gross Impaired Assets
GLAs	Gross Loans and Acceptances
HEM	Household Expenditure Measure

HQLA	High Quality Liquid Assets
IRB	Internal Ratings Based approach
ICMA	International Capital Market Association
LCR	Liquidity Coverage Ratio
LGD	Loss given default
LMA	Loan Market Association
LSTA	Loan Syndications and Trading Association
LVR	Loan to Value Ratio
MTM	Mark to market
NBI	Non Bearing Interest
NCO	Net Cash Outflow
NII	Net Interest Income
NPS	Net Promoter <sup>®</sup> and NPS <sup>®</sup> are registered trademarks of Bain & Company, Inc., NICE Systems, Inc., and Fred Reichheld. Net Promoter Score <sup>SM</sup> is a service mark of Bain & Company, Inc., NICE Systems, Inc., and Fred Reichheld
NSFR	Net Stable Funding Ratio
OIS	Overnight Index Swap
OOI	Other Operating Income
PD	Probability of Default
RCF	Revised capital framework
RMBS	Residential Mortgage Backed Securities
ROE	Return on Equity
RWAs	Risk-weighted assets
SFI	Stable Funding Index
SHL	Simple Home Loans
SME	Small and Medium Enterprise
TFF	RBA - Term Funding Facility

# Source and notes

Slide 12

- (1) Sourced from RFI Global – Atlas, measured on 6 month rolling average. Based on all consumers, 18+ and excludes consumers with personal income of \$260k+ and/or investible assets \$2.5m+ and/or footings of over \$850k. Ranking based on absolute scores, not statistically significant differences and compared against major peers
- (2) Sourced from RFI Global – Atlas, measured on 6 month rolling average. 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 and compared against major peers
- (3) Sourced from RFI Global – Atlas, measured on 6 month rolling average. Based on all consumers, 18+, includes Mass Affluent customers (\$850k to \$2.5M footings OR \$260k+ personal income with less than \$850k in footings and less than \$2.5m in investible assets) and High Net Worth customers (\$2.5m+ in footings or have investible assets of \$2.5m+). Ranking based on absolute scores, not statistically significant differences and compared against major peers
- (4) All data from the most recently available Coalition Greenwich (formerly Peter Lee Associates) surveys, Australia. Based on top four banks by penetration. Large Corporate & Institutional Relationship Banking Survey Jun 24. Coalition Greenwich is a division of Crisil

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- (1) Target sectors include NBFIs, Private Capital Strategic Investors, Infrastructure, Governments and Private Companies
- (2) Transactional Banking survey Jun 2024\*
- (3) Debt Capital Markets survey Jun 2024\*
- (4) Rankings based on IJGlobal League Table MLA, Renewables, both cumulative data from 1 January 2010 to 30 September 2024 and for the 12 months ending 30 September 2024
- (5) Foreign Exchange survey Oct 2024, corporate respondents\*
- (6) Interest Rate Derivatives survey Oct 2024\*
- (7) Most Useful Analysis of the Economy (2<sup>nd</sup>), Interest Rate Forecasts & Trend Analysis (2<sup>nd</sup>) and Most Useful Written Materials on Strategies and Recommendations (2<sup>nd</sup>)– Interest Rate Derivatives survey 2024\*; Most Valuable Commentary on Currency Markets (1<sup>st</sup>) and Relationships Citing Quality Research (1<sup>st</sup>)– Corporate Foreign Exchange survey 2024, corporate respondents\*
- (8) Represents annualised ROE implied by reported return on average RWA using mid-point of Group’s target CET1 ratio range in the applicable period. Corporate & Institutional Banking included the Bank of New Zealand's Markets Trading operations up to 30 September 2023. From 1 October 2023, these operations are reported within New Zealand Banking. Comparative information has been restated accordingly.

\*Surveys from Coalition Greenwich (formerly Peter Lee Associates). All data taken from the most recently available survey and rankings are against the four major domestic banks. Coalition Greenwich is a division of Crisil. Relationship Strength Index (RSI) is based on the results of key qualitative measures

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- (1) Source: Insights HQ (previously known as Camorra Research) Retail Market Monitor (data on 12-month roll). NPS for nominated main bank provider. The result reflects the 5 major banks in New Zealand. Rank is based on absolute results and may be within the confidence interval of another brand
- (2) Source: Kantar Business Finance Monitor (data on 12-month roll). NPS for nominated main bank provider. Total business market up to annual turnover of \$150m; includes Agribusiness with a turnover of \$100k+. The result reflects Australian-owned banks in New Zealand. Rank is based on absolute results and may be within the confidence interval of another brand
- (3) From July 2022 a new data collection approach was introduced for all banks. The use of the 12MRA means the impact of this change on results is small
- (4) Source: Coalition Greenwich (formerly Peter Lee Associates) – Large Corporate Relationship Banking Survey New Zealand September 2024

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# Disclaimer

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For further information visit [www.nab.com.au](http://www.nab.com.au) or contact:

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