Third Quarter Trading Update

2026

17 August 2026

national australia bank

The June 2026 quarter results are compared with the quarterly average of the March 2026 half year results for continuing operations unless otherwise stated. Revenue, expenses and asset quality are expressed on a cash earnings basis.

3Q26 FINANCIAL HIGHLIGHTS

$1.81bn	**$1.83bn**	**2%**	**11.93%**
Unaudited statutory net profit Up 32% v 1H26 qrtly avg[(i)]	**Unaudited cash earnings**[(ii)] Up 2% v 1H26 qrtly avg[(iii)] Up 4% v 3Q25	**Revenue growth** v 1H26 qrtly avg Up 5% v 3Q25	**Group Common Equity Tier 1 ratio (CET1)**[(iv)]

(i) Growth rate including large notable item in 1H26.
(ii) Refer to note on cash earnings and underlying profit on page 6.
(iii) Growth rate excluding large notable item in 1H26.
(iv) CET1 capital ratio is on a Level 2 basis.

"NAB's 3Q26 cash earnings increased 2% compared with the 1H26 quarterly average excluding the impact of the Large Notable Item (LNI)[(1)] in 1H26, primarily driven by lower credit impairment charges (CICs). Underlying profit was stable over the period with good volume growth and well managed margins offset by higher costs which were impacted by seasonality and the flow-on impacts of changes to our software capitalisation policy in 1H26.

We have made further progress this quarter across our key priorities of growing business banking, driving deposit growth and strengthening proprietary home lending. Australian business lending rose 2% including 4% growth from Business & Private Banking (B&PB). Australian home lending grew in line with system excluding the Advantedge run-off[(2)], with drawdowns via proprietary channels improving from 47.7% in 1H26 to 50.9% in 3Q26[(3)]. Deposit balances rose 2% including 3% growth in B&PB transaction account balances (excluding offsets).

The combined impacts of the Middle East conflict, higher domestic interest rates and recent tax changes in the Federal Budget are creating challenges and uncertainties for our customers. While the ratio of non-performing loans declined over 3Q26, watch loans were higher reflecting current and potential stress impacting performing customers. Business credit growth has remained robust at this stage, but the Australian home lending market softened in 3Q26 with our applications down 15% compared with 2Q26.

NAB is well placed to manage through this period and support our customers. Our ratio of collective provisions (CP) to credit risk weighted assets (CRWA) sits at 1.36% including almost $2 billion of forward-looking provisions for potential stress in the outlook. Our CET1 ratio of 11.93% compares with NAB's operating target of greater than 11.25%. We continue to target productivity savings of more than $450 million for FY26 and for operating expense growth in FY26 to be less than FY25 growth of 4.6%[(4)].

Our long term strategy remains focused on achieving much stronger customer advocacy, greater speed and simplicity, and ongoing technology modernisation. This is expected to deliver sustainable growth and attractive shareholder returns."

- Andrew Irvine NAB CEO

Supporting our customers & communities

NAB recognised as the **leading Australian Corporate & Institutional relationship bank**[(i)]	Helping Australian customers protect their families and homes with free access to the **Bushfire Resilience Rating App**, to better understand and manage bushfire risks and potentially lower home insurance premiums	Supporting more accessible face-to-face banking and removing communication barriers for deaf customers with NAB the first bank in Australia to offer **in-branch Auslan interpreting** nationally	Protecting customers and our bank in an environment of rising AI-enabled threats through **NAB Nexus**, a 24/7 integrated operations hub enabling faster information sharing and real-time threat identification

(i) #1 RSI - Coalition Greenwich 2026 Australia Large Corporate Relationship and Transactional Banking Studies.

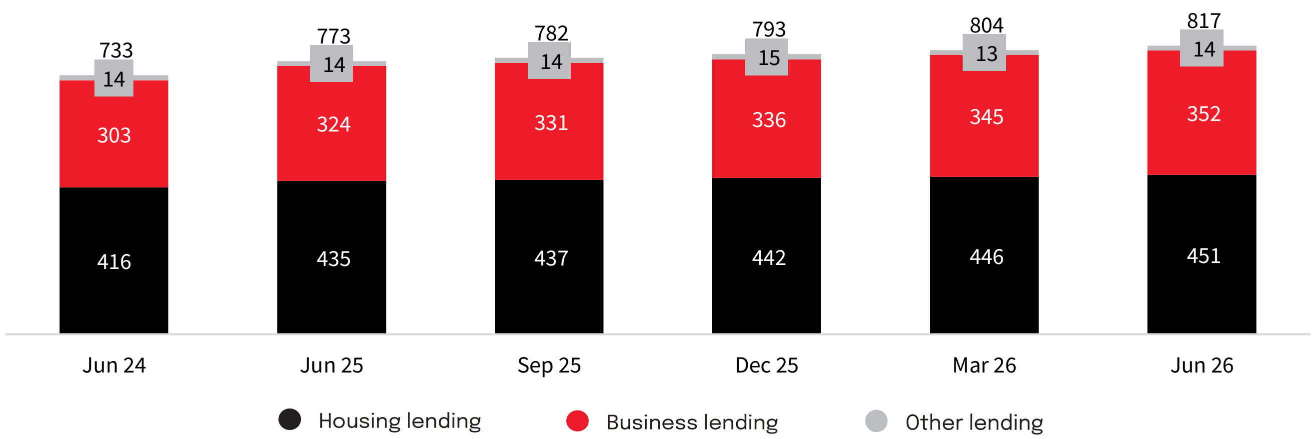
(1) 1H26 operating expenses included $1,347 million as an LNI related to the accelerated amortisation charge following a change in the Group's software capitalisation policy.
(2) System refers to APRA Monthly Authorised Deposit-taking Institution statistics. Latest data as at Jun 26. Including Advantedge, 3Q26 growth versus system was 0.7x.
(3) Refers to proprietary home lending drawdowns in Personal Banking and B&PB divisions. Excludes ubank.
(4) Refer to key risks, qualifications and assumptions in relation to forward looking statements on page 6. FY26 guidance excluding any large notable items.

Operating performance

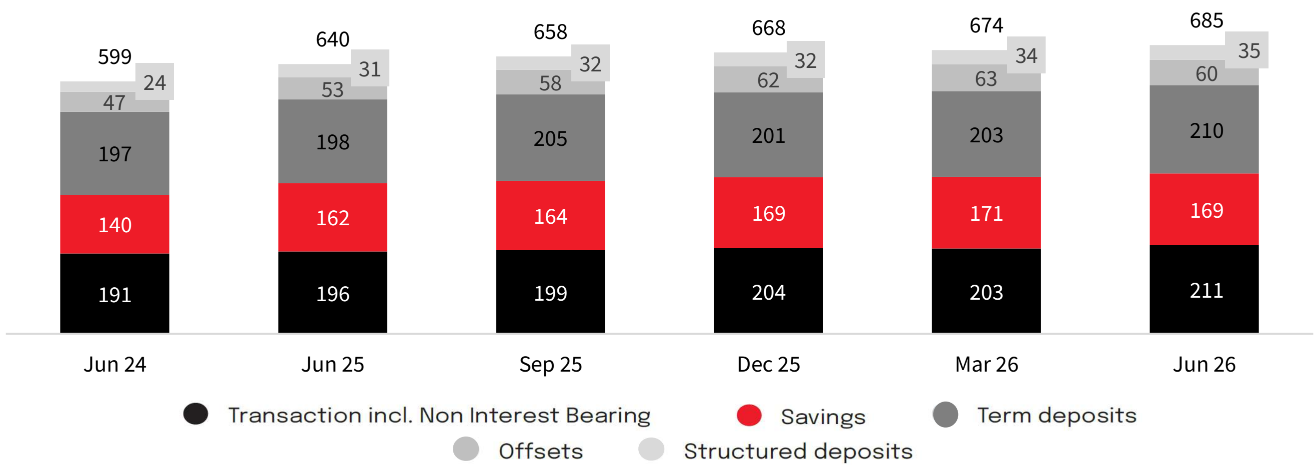
Cash earnings rose 39% compared with the 1H26 quarterly average primarily reflecting the impact of the LNI[1] in 1H26 cash earnings. Excluding the LNI, cash earnings rose 2%, reflecting lower CICs and broadly stable underlying profit. Key drivers of underlying profit include:

- Revenue rose 2%. Excluding Markets & Treasury (M&T) income, revenue increased 3% primarily reflecting volume growth and a higher margin partially offset by the translation impact of a lower average New Zealand dollar.
- Net interest margin (NIM) decreased 2 basis points (bps) to 1.79%. Excluding the impact from M&T, NIM increased 2 bps mainly reflecting higher earnings on deposit and capital replicating portfolios partially offset by lending competition and small deposit impacts.
- Expenses declined 18%. Excluding the LNI in 1H26, expenses rose 4% with a key driver being changes to the Group's software capitalisation policy in 1H26 resulting in a higher proportion of investment spend expensed in 3Q26. Other impacts include higher technology costs, seasonally higher salary costs and investment spend, increased depreciation and amortisation, and higher payroll remediation costs, partially offset by productivity benefits.

Group gross loans and acceptances (GLAs) ($bn)



Group customer deposits ($bn)

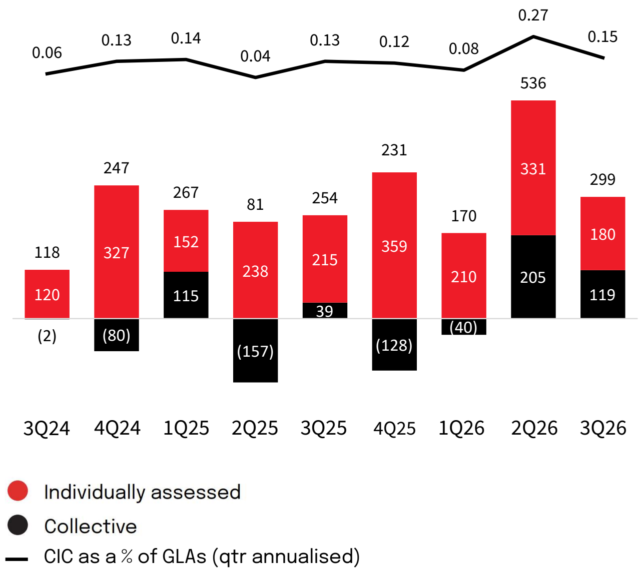


(1) 1H26 operating expenses included $1,347 million as an LNI related to the accelerated amortisation charge following a change in the Group's software capitalisation policy.

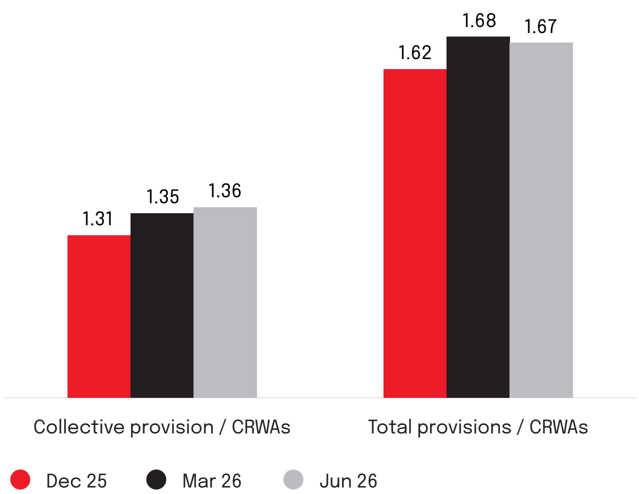
Asset quality

- CICs of $299 million in 3Q26 include individually assessed provision (IAP) charges of $180 million and $119 million of collective provision (CP) charges. The reduction in CICs compared with the 1H26 quarterly average reflects a lower level of IAP charges partly offset by higher CP charges.
- IAP charges of $180 million primarily relate to Australian unsecured and non-retail portfolios.
- Collective Provision (CP) charges of $119 million in 3Q26 were driven by business lending volume growth and deterioration in performing book asset quality. There have been no changes to the economic assumptions or scenario weightings used in the Economic Adjustment (EA) or the sector specific assumptions used in the Forward Looking Adjustments (FLAs) during 3Q26; 1H26 included a $300 million increase relating to a higher downside weighting used in the EA and a top up to sector specific FLAs to reflect potential stress related to the Middle East conflict.
- Compared with March 2026, the ratio of CP to credit risk weighted assets (CRWA) increased by 1 bp to 1.36%.
- The ratio of non-performing exposures to gross loans and acceptances (GLAs) decreased by 2 bps from March 2026 to 1.50%. This includes a 3 bps decrease in the ratio of impaired assets to GLAs reflecting improved outcomes in the Australian and New Zealand business lending portfolios. The ratio of default but not impaired assets to GLAs increased 1 bp compared with March 2026.

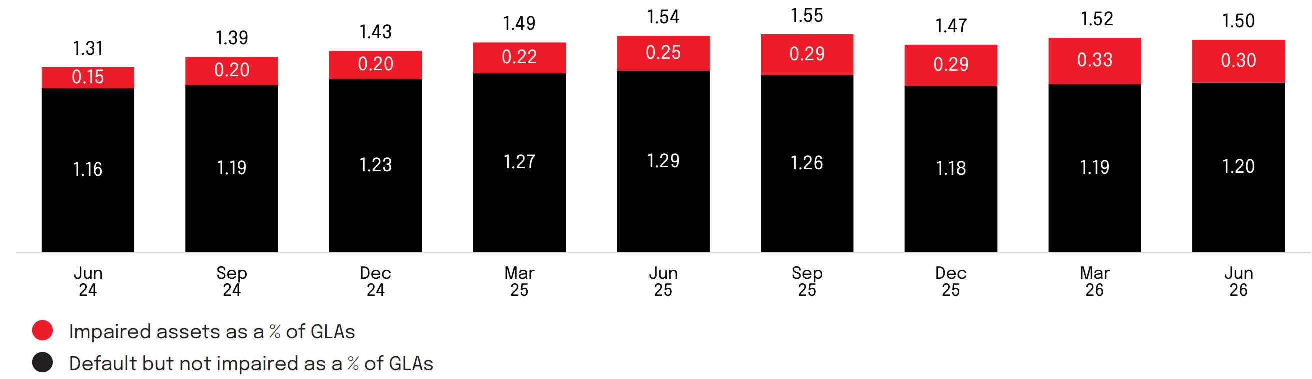
Credit impairment charges ($m)



Provision coverage (%)



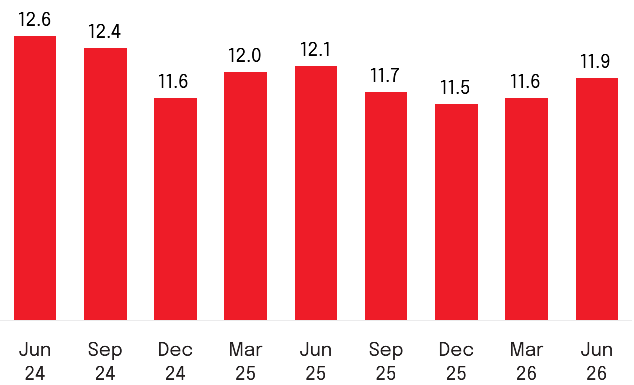
Non-performing exposures / gross loans and acceptances (%)



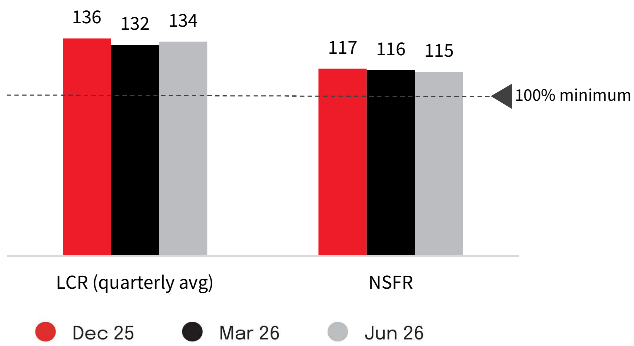
Capital, funding and liquidity

- Group CET1 ratio on a Level 2 basis was 11.93% at June 2026 compared with 11.65% at March 2026. Key drivers of the increase over the period include cash earnings, partially offset by RWA growth of $3.1 billion.
- There has been no impact on the CET1 ratio in 3Q26 from the FY26 interim dividend (equivalent to -58 bps) or completion of the raising of $1.8 billion of CET1 capital via the FY26 interim dividend reinvestment plan (equivalent to +40 bps) as these items impact the CET1 ratio in July 2026.
- Level 1 CET1 ratio at June 2026 of 11.89% compared with 11.53% at March 2026.
- The drivers of RWA growth over 3Q26 were CRWA growth (+$4.3 billion) and an increase in Interest Rate Risk in the Banking Book (IRRBB) RWA (+$0.5 billion). These were partially offset by a reduction in Market Risk RWA (-$1.7 billion). There has been no impact from the standardised capital floor adjustment in 3Q26.
- CRWA increase of $4.3 billion primarily reflects volume growth of $5.4 billion mainly as a result of business lending, partially offset by translation FX impacts of -$0.9 billion.
- The Group has raised $30.2 billion of term wholesale funding (including $6.1 billion of Tier 2 capital) over the nine months to June 2026.

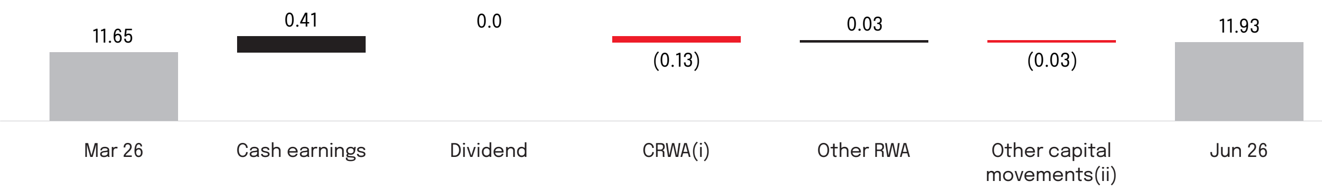
Level 2 Group CET1 ratio (%)



Liquidity Coverage Ratio (LCR) and Net Stable Funding Ratio (NSFR) (%)

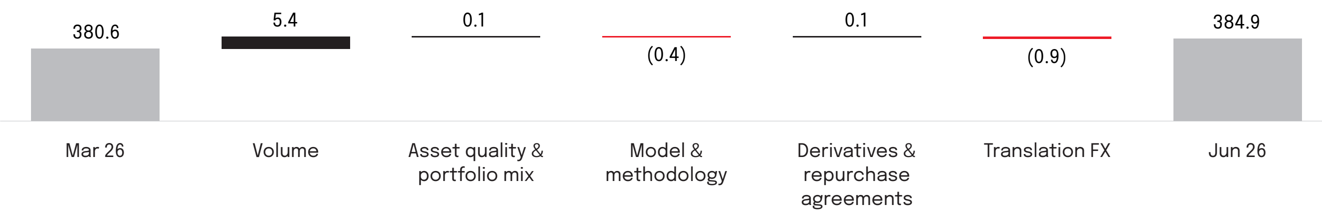


Level 2 Group CET1 ratio Mar 26 - Jun 26 (%)



(i) CRWA excludes foreign exchange translation.
(ii) Other capital movements include reserves, expected loss in excess of eligible provisions, net foreign exchange translation and other miscellaneous items.

Credit Risk Weighted Assets Mar 26 - Jun 26 ($bn)



Appendix 1: Key financial information[i]

			Movement	
	3Q26 $bn	1H26 Qtr avg $bn	3Q26 v 1H26 Qtr avg %	3Q26 v 3Q25 %
Group performance results				
Net interest income	**4.6**	4.6	1	4
Other operating income	**0.9**	0.9	8	13
Net operating income	**5.5**	5.4	2	5
Operating expenses excluding large notable items	**(2.6)**	(2.5)	4	5
Large notable items before tax	**-**	(0.7)	large	-
Operating expenses	**(2.6)**	(3.2)	(18)	5
Underlying profit	**2.9**	2.3	30	6
Credit impairment charge	**(0.3)**	(0.4)	(15)	18
Cash earnings before income tax	**2.6**	1.9	39	4
Income tax expense[1]	**(0.8)**	(0.6)	40	6
Non-controlling interests	**(0.0)**	(0.0)	(5)	(11)
Cash earnings	**1.8**	1.3	39	4
Cash earnings excluding large notable items[2]	**1.8**	1.8	2	4
Statutory net profit	**1.8**	1.4	32	9

			Movement	
	Jun 26 $bn	Mar 26 $bn	Jun 26 v Mar 26 %	Jun 26 v Jun 25 %
Volumes				
Total gross loans and acceptances	**817.4**	804.2	2	6
Housing	**451.4**	445.7	1	4
Business	**352.4**	345.1	2	9
Other	**13.6**	13.4	2	(3)
Average interest earning assets[3]	**1,034.0**	1,017.2	2	3
Total customer deposits	**685.4**	673.5	2	7

(1) Includes the impact of large notable items for the 2026 half year. Refer to Section 1 Group highlights - Large notable items of NAB's 2026 Half Year Results for further information.
(2) Excluding large notable items of $949m after tax which form part of Corporate Functions and Other division for the 2026 half year. Refer to Section 1 Group highlights - Large notable items of NAB's 2026 Half Year Results for further information.
(3) Reflects quarterly period average apart from Mar 26 which reflects six monthly period average.

(i) Dollar billion values have been rounded to one decimal point. Totals may not add due to rounding. Growth rates are based on actual underlying dollar values (not rounded values).

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This announcement has been authorised for release by Inder Singh, Group Chief Financial Officer and Group Executive, Strategy.

Disclaimer – forward-looking statements

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

There are many factors that could cause actual results to differ materially from those projected in such statements, including (without limitation) a significant change in the Group's financial performance or operating environment; a material change to law or regulation or changes to regulatory policy or interpretation; and risks and uncertainties associated with the ongoing impacts of the Russia-Ukraine and Middle Eastern conflicts and other geopolitical tensions, the Australian and global economic environment and capital market conditions and changes in global trade policies. Further information is contained in the Group's Annual Report for the 2025 financial year, available at nab.com.au.

Note on cash earnings and underlying profit

The Group's results are presented on a cash earnings basis unless otherwise stated. Cash earnings is a key financial performance measure used by the Group and the investment community. The Group also uses cash earnings for its internal management reporting, as it better reflects what NAB considers to be the underlying performance of the Group. Underlying profit represents cash earnings before credit impairment charges, income tax expense and non-controlling interests. Cash earnings and underlying profit are not statutory financial measures, are not presented in accordance with Australian Accounting Standards, and are not audited or reviewed in accordance with Australian Auditing Standards. The 2026 Half Year Results provides details of how cash earnings is defined on page 12 and a discussion of non-cash earnings items and a full reconciliation of cash earnings and underlying profit to statutory net profit attributable to owners of the Company on pages 99 to 101. The Group's financial statements, prepared in accordance with the Corporations Act 2001 (Cth) and Australian Accounting Standards, and audited (full year) or reviewed (half year) by the Group's auditors in accordance with Australian Auditing Standards, are made available on the Group's website. The 2026 Full Year Results - Management Discussion and Analysis is expected to be made available on or around 5 November 2026.