

# Half Year Results

—  
2023

**Investor Presentation**

4 May 2023

**Ross McEwan**

Group Chief Executive Officer

**Gary Lennon**

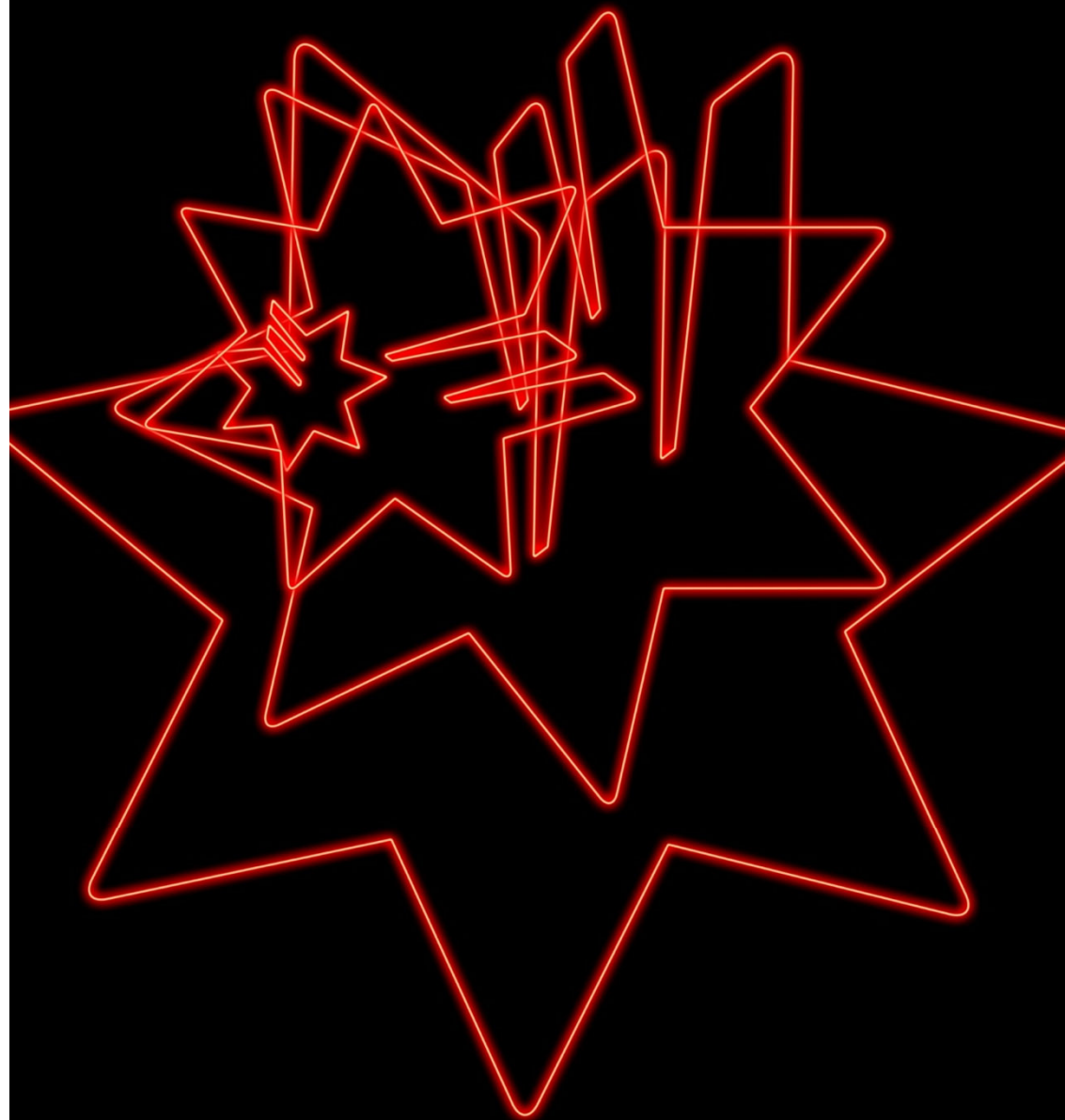
Group Chief Financial Officer

# NAB 2023 Half 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 128 for legal disclaimer.

Financial information in this presentation is based on cash earnings, which is not a statutory financial measure. Refer to page 37 for definition of cash earnings and reconciliation to statutory net profit.

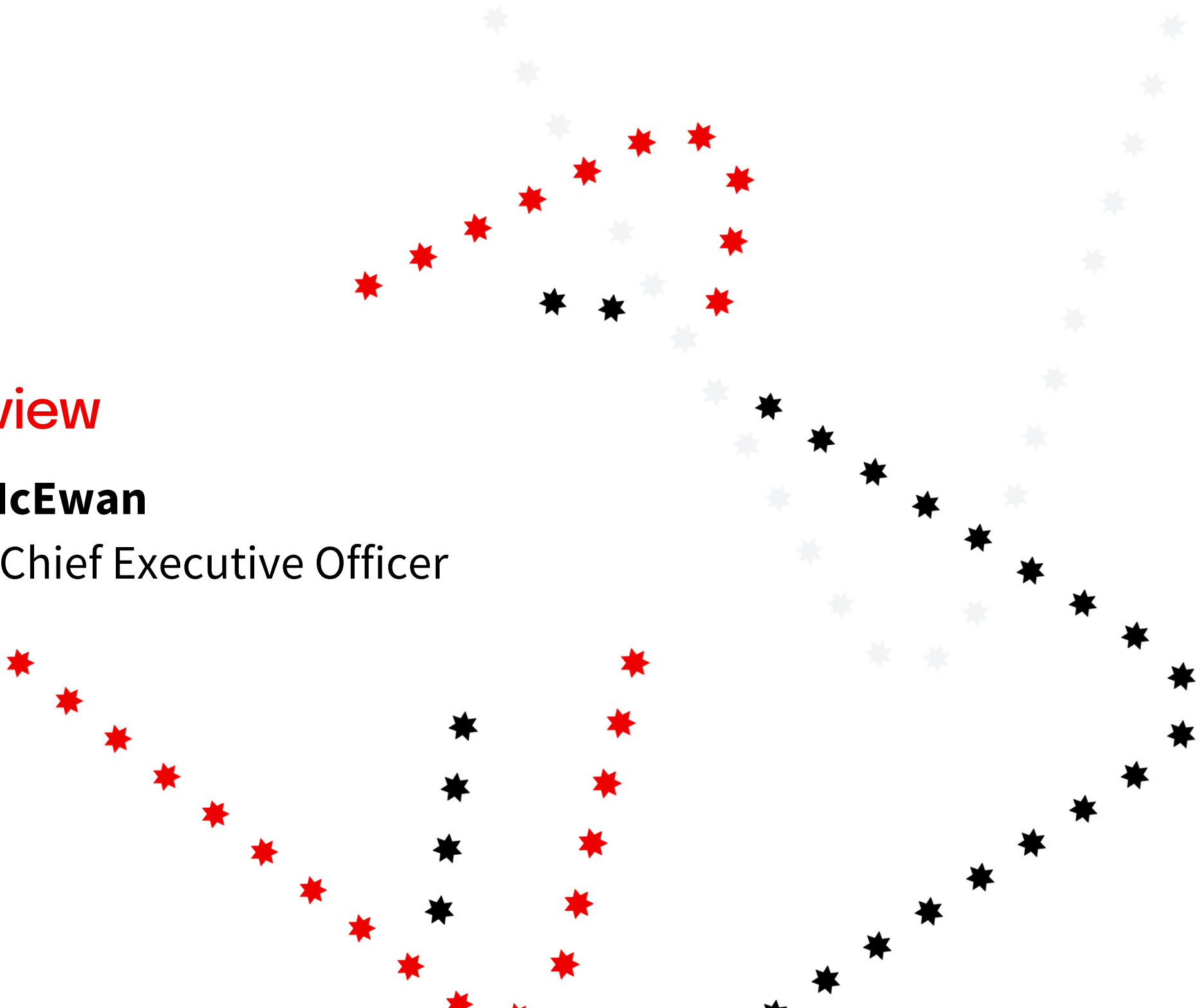
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# Overview

**Ross McEwan**

Group Chief Executive Officer



# Key messages

- Strong 1H23 financial performance across our businesses delivering improved returns to shareholders
- Increase in cash rates expected to slow economy – well positioned to support customers with a strong balance sheet
- Continued growth in Business & Private Banking and other target segments
- Disciplined growth in a challenging home lending environment
- Remain focused on executing our long-term strategy to deliver sustainable and safe growth for shareholders

# Strong financial results

Metric	1H23	2H22	1H23 v 2H22
Statutory net profit (\$m)	3,967	3,340	18.8%
<b>Continuing operations<sup>1</sup></b>			
Net operating income (\$m)	10,529	9,468	11.2%
Operating expenses (\$m)	(4,421)	(4,311)	2.6%
Underlying profit (\$m)	6,108	5,157	18.4%
Cash earnings <sup>2</sup> (\$m)	4,070	3,624	12.3%
Dividend (cents)	83	78	5
Cash payout ratio <sup>3</sup>	64.1%	68.5%	(440 bps)

(1) Includes the impact of Citigroup's Australian consumer business, acquired by the NAB Group on 1 June 2022

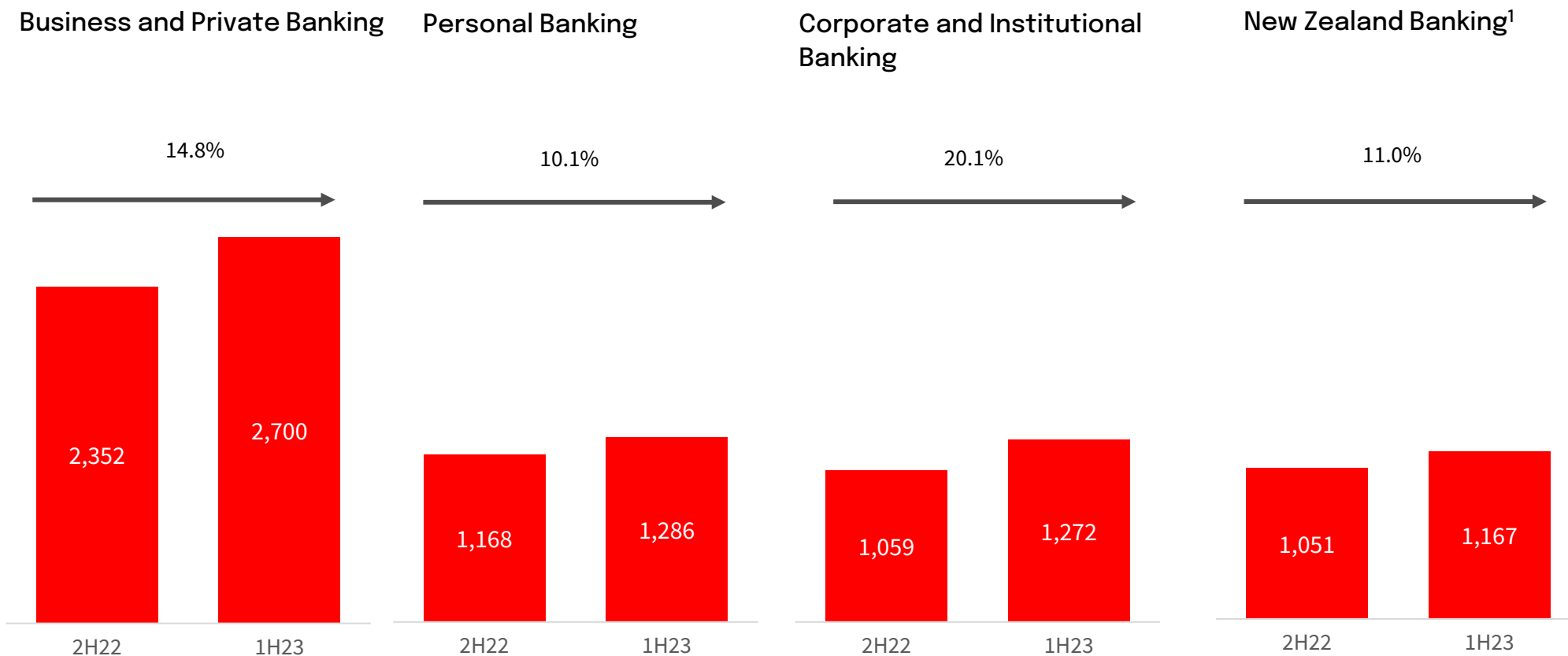
(2) Refer to page 37 for definition of cash earnings and reconciliation to statutory net profit

(3) Based on basic Cash Earnings per share (EPS)

# Strong earnings growth across all businesses

## Underlying divisional profit

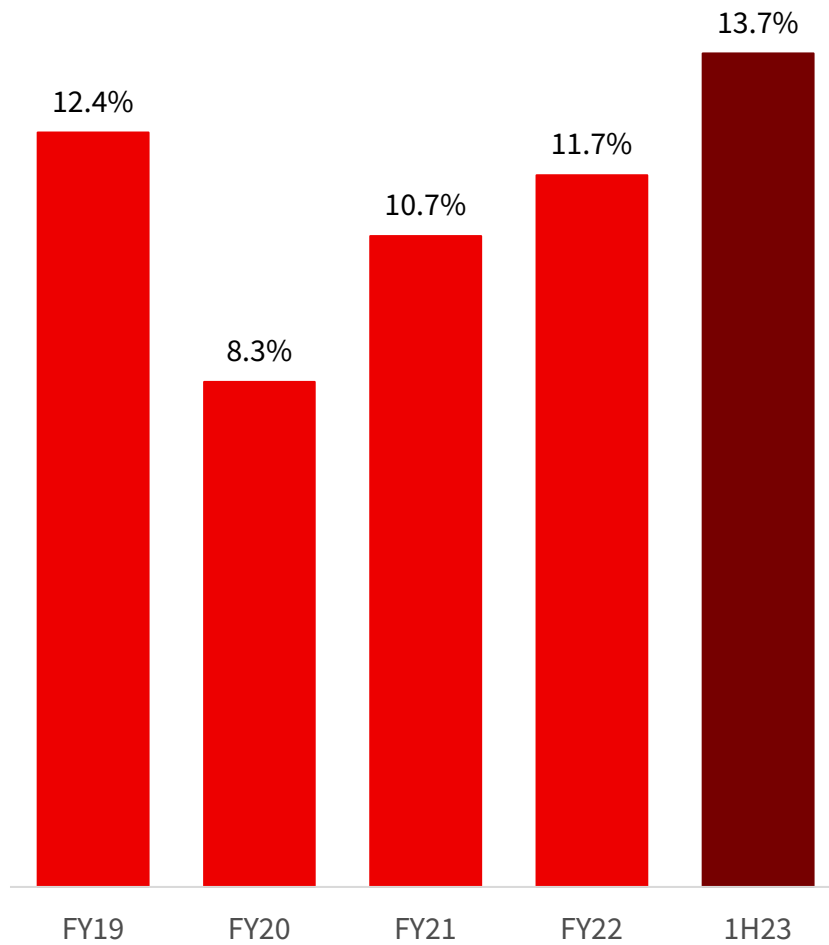
(\$m)



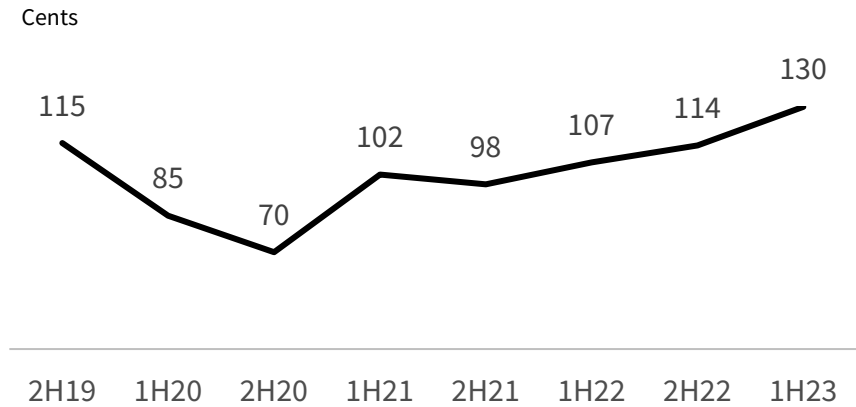
(1) New Zealand Banking results in local currency

# Delivering improved shareholder returns

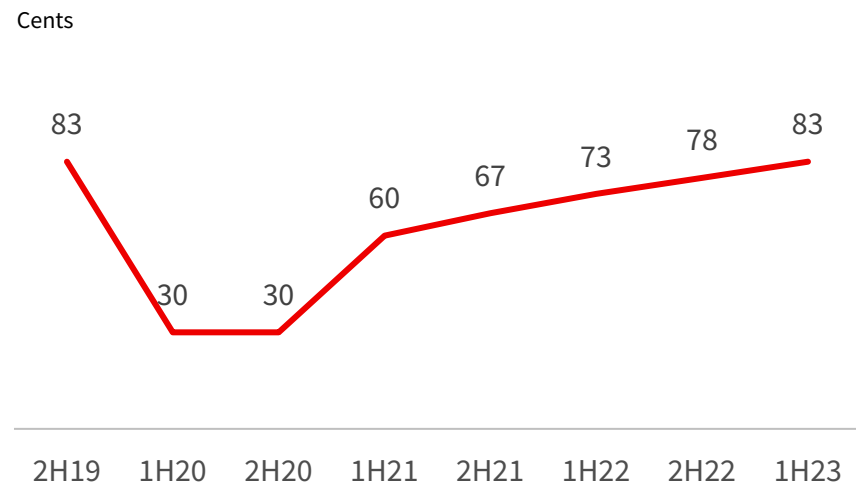
## Cash Return on Equity



## Basic Cash EPS



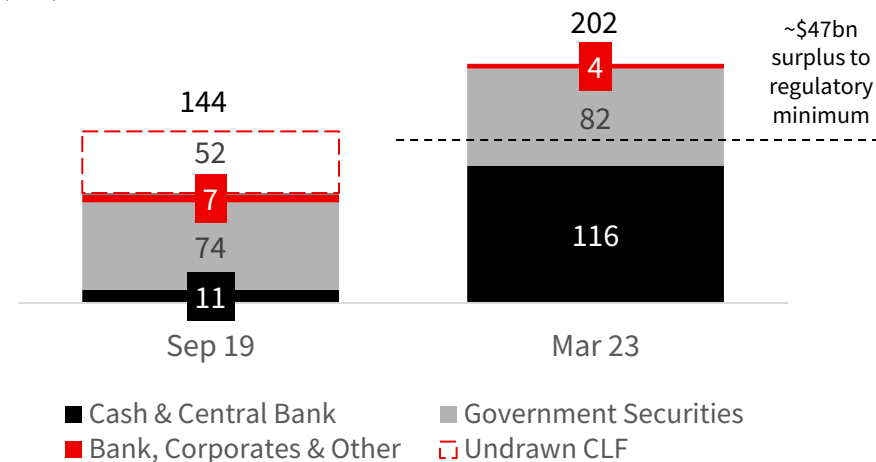
## Dividends per share



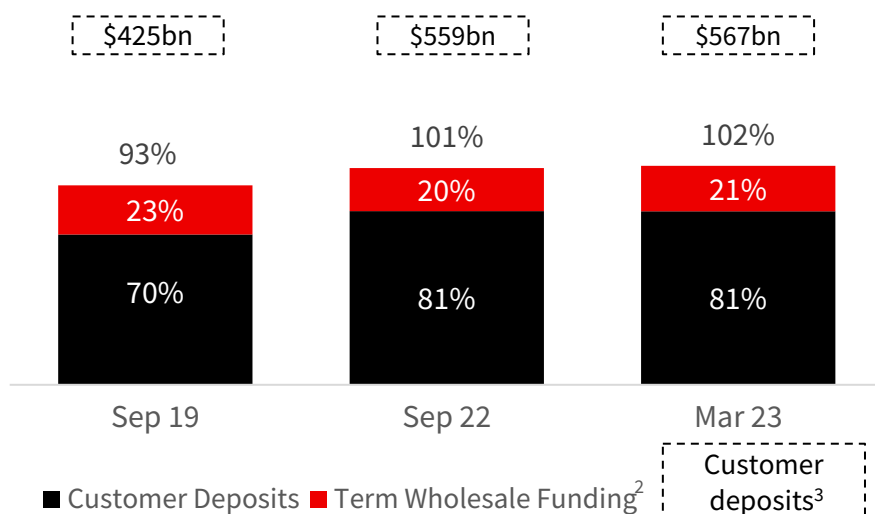
# Maintaining strong balance sheet settings

- Strong funding and liquidity position
- Over 80% of GLAs funded by customer deposits
- Capital ratios remain strong, benefiting from 33 bps of organic capital generated in 1H23 and the implementation of the revised capital framework
- Dividend payout ratio guided by a range of 65% – 75% of cash earnings, subject to Board determination based on circumstances at the relevant time

## Regulatory liquid assets<sup>1</sup> (\$bn)

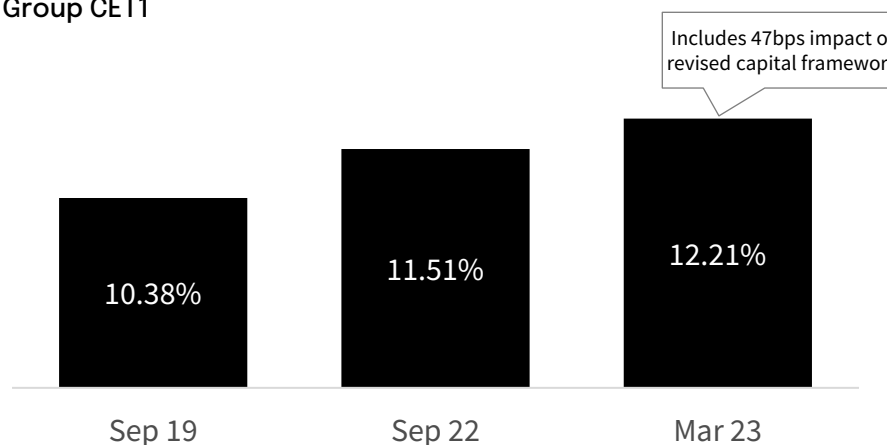


## Share of GLAs funded by deposits



## Capital ratios above target range of 11.0% - 11.5%

### Group CET1



(1) Quarterly averages

(2) Includes senior unsecured, secured (covered bonds and securitisation), subordinated debt, Additional Tier 1 instruments, RBA TFF and RBNZ funding facility drawdowns with a remaining term to maturity or call date of greater than 12 months

(3) Excludes customer deposits in New York and London

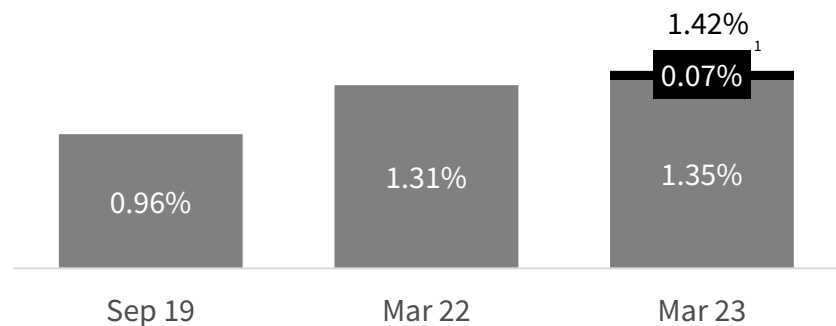


# Well provisioned with a disciplined approach to risk

## Strong provisioning

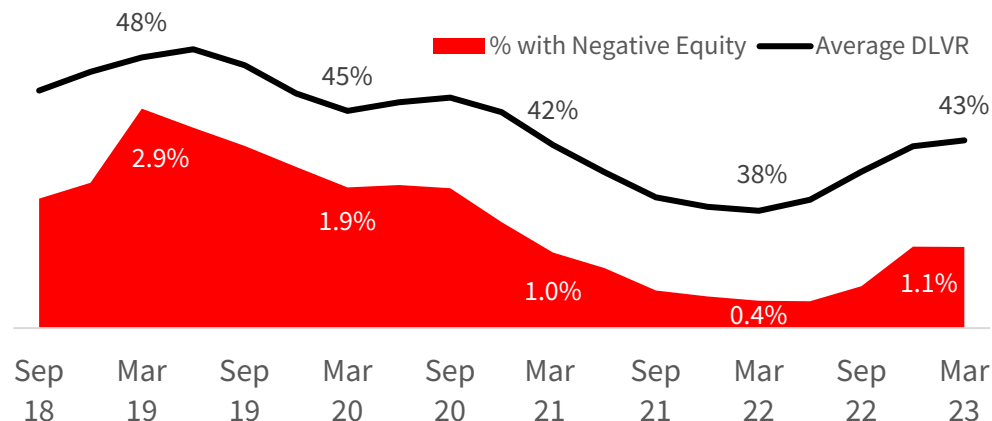
CP/CRWA

Mar 23 includes \$1.5bn of additional forward looking provision vs Sep 19



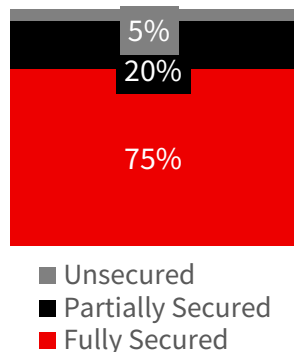
## High quality Australia housing book<sup>2</sup>

Mar 23 negative equity ex LMI 0.7%

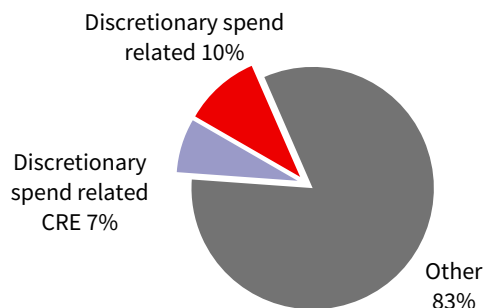


## SME<sup>3</sup> book is well secured with manageable exposure to discretionary spend<sup>4</sup>

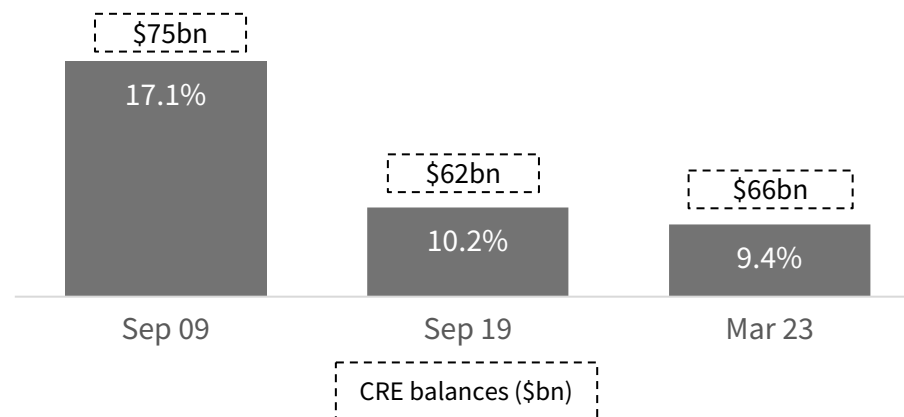
### Security profile Mar 23



### Sector exposure (EAD)



## Reduced exposure to CRE as % of GLAs<sup>5</sup>



(1) Impact of a reduction in CRWA as a result of the implementation of the revised capital framework from 1 January 2023. Refer NAB's March 2023 Pillar 3 Report for further details

(2) Excludes 86 400 & Citi Consumer Business mortgages. Excludes the impact of offset accounts

(3) Denotes business lending in Business & Private Banking

(4) Refer to slide 60 for a description of security profile. Discretionary spend related exposures reflect Retail Trade and Tourism, Hospitality & Entertainment exposures. CRE EAD figures are limits based on APRA Commercial Property ARF230

(5) Measured as balance outstanding as at 31 March 2023 per APRA Commercial Property ARF 230 definitions

# We have a clear long-term strategic ambition

## Why we are here

To serve customers well and help our communities prosper

## Who we are here for



### Colleagues

Trusted professionals that are proud to be a part of NAB



### Customers

Choose NAB because we serve them well every day

## What we will be known for

### Relationship-led

Relationships are our strength

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

### Easy

Simple to deal with

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

### Safe

Responsible & secure business

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

### Long-term

A sustainable approach

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

## Where we will grow

### Business & Private

Clear market leadership

### Corporate & Institutional

Disciplined growth

### Personal

Simple & digital

### BNZ

Grow in Personal & SME

### ubank

New customer acquisition

## How we work



Excellence for customers



Grow together



Be respectful



Own it

## Measures for success



Engagement



NPS growth



Cash EPS growth

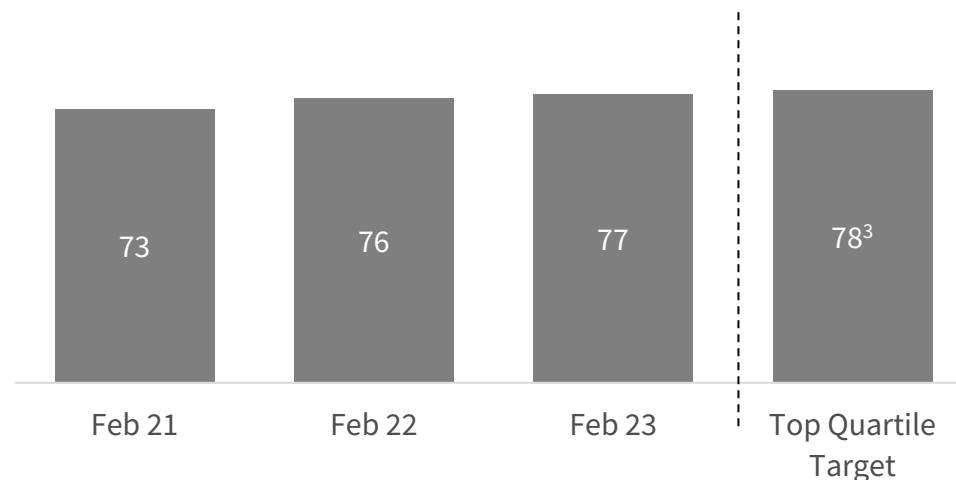


Return on Equity

# Focus on colleagues

- Continuing to invest in developing the skills and capability of our colleagues
- Leadership tools and disciplines being embedded across the organisation
- Engaging with colleagues and the Finance Sector Union on a revised Enterprise Agreement (EA), taking into account colleague feedback
- Benefits of proposed EA passed to colleagues from January 2023, including pay increases of 3 – 5% for most colleagues<sup>1</sup> and additional leave entitlements

## Colleague engagement score stable - more to do

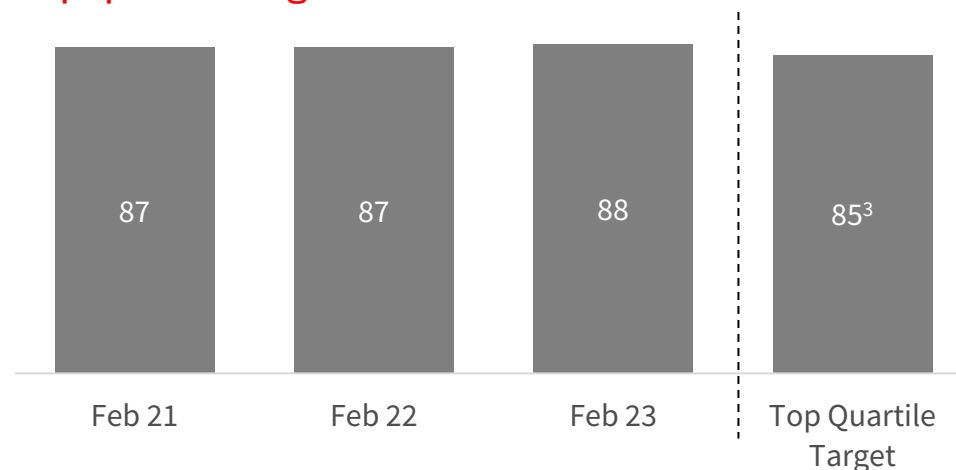


## Taking action to improve accountability and timely decision making

**+4**  
Clear responsibilities<sup>2</sup>

**+8**  
Timely decision making<sup>2</sup>

## People leader score remains broadly stable and above top quartile target

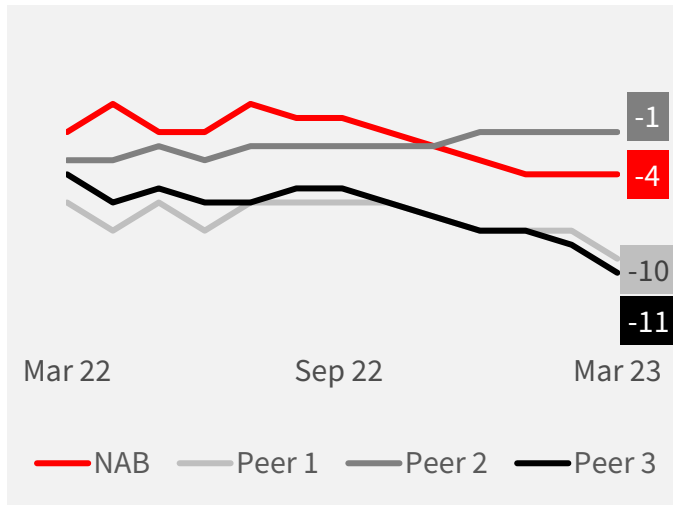


(1) 4.5 – 5% pay increase for Group 1 and 2 colleagues; minimum of 3% increase for eligible colleagues in Groups 3 – 6 earning up to \$165,000  
 (2) Improvement in colleagues scores between February 2022 and February 2023. Source NAB Heartbeat survey  
 (3) Top quartile comparison is based upon Glint’s client group (domestic and global, from all industries)

# Focus on customers

## Net Promoter Score (NPS) relative to Major Bank peers

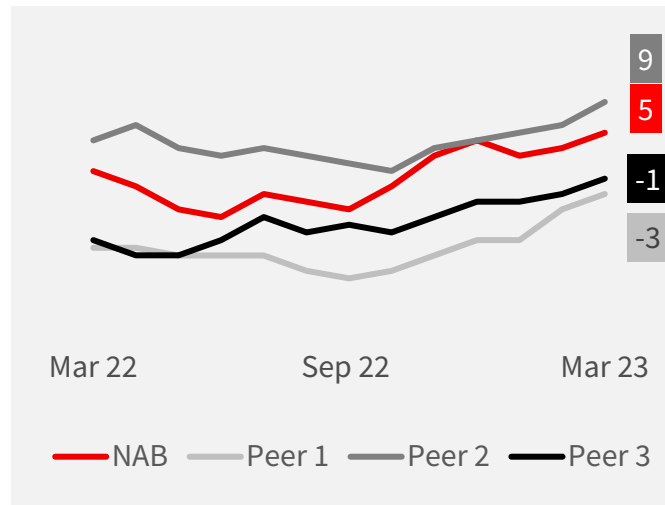
#2 Consumer<sup>1</sup>



=#2 in Internet Banking NPS (MFI Customer)<sup>4</sup>

#2 in Mobile App NPS (MFI Customer)<sup>5</sup>

#2 in Business<sup>2</sup>

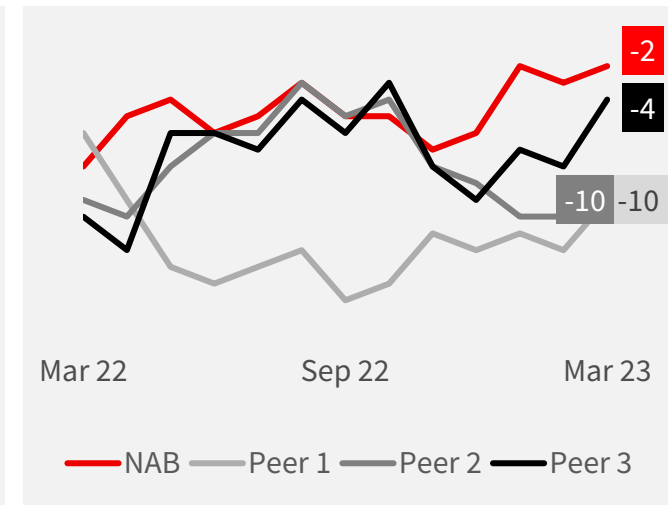


#1 in Medium Business<sup>6</sup> NPS

#2 in Small Business<sup>6</sup> NPS

#3 in Micro business<sup>6</sup> NPS – more to do

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



#1 in High Net Worth NPS<sup>3</sup>

#2 in Mass Affluent NPS<sup>3</sup>

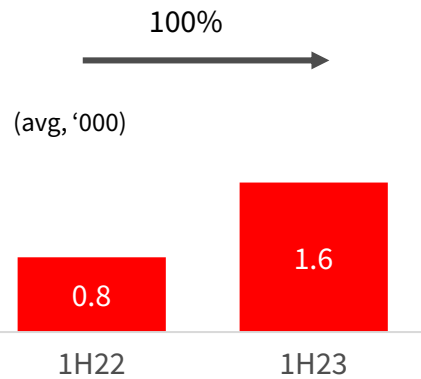
(1-6). Refer to sources and notes at the back of this presentation on page 127 for further details

Net Promoter® and NPS® are registered trademarks and Net Promoter Score and Net Promoter System are trademarks of Bain & Company, Inc., NICE Systems, Inc., and Fred Reichheld

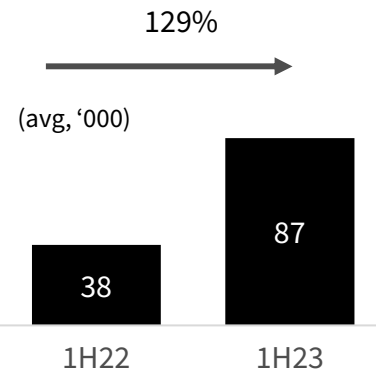
# Focused on initiatives to help keep customers safe

## Accelerating our efforts to protect customers against scams and fraud

Scam cases impacting our customers per month



Scams and fraud customer enquiries<sup>1</sup> per month



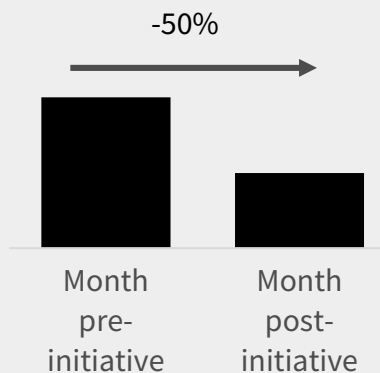
- **Prevented and recovered more than \$155m in scam losses for our customers** in the past 18 months
- Added ~50 FTE to our **investigations and fraud team of >450** in 1H23, including those handling scams and fraud enquiries
- **Investing** in biometric technologies, machine learning, 24/7 account monitoring and customer education resources

(1) Includes calls and chat

### Working with telcos on spoofing scams

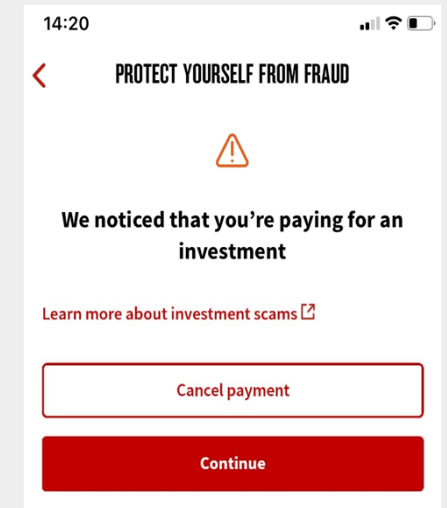
- Working with telcos to help limit infiltration of bank phone numbers and messages
- 1H23 initiatives had an immediate impact, with cases down 50% MoM, though new scams constantly emerging

### # spoofing scams cases



### Delivering proactive customer alerts

- New pop-up proactive customer prompts
- Involve real-time calls to our advanced internal fraud engine

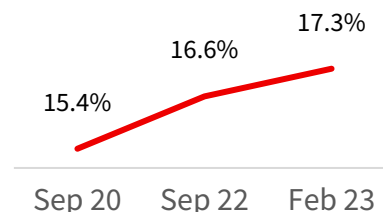


# Delivering growth across our core SME franchise

Consistent focus on relationship banking increasingly enabled by digital, data and analytics

## Growing business lending

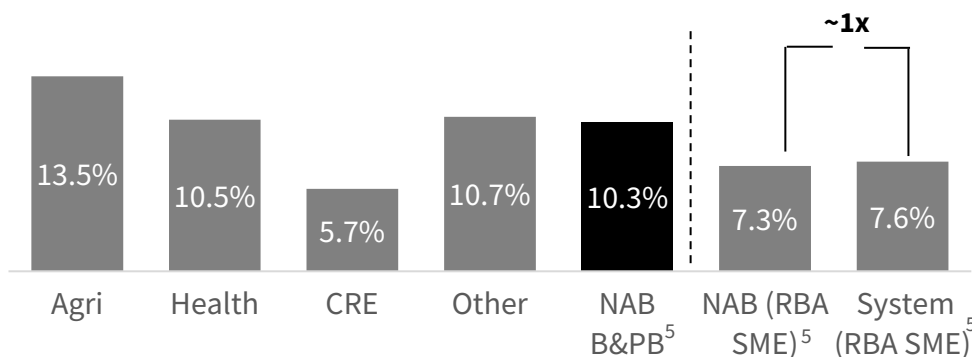
- Market share gains in **small business lending**<sup>1</sup> supported by simplified origination, enhanced digital capability and specialist local small business bankers
- Simplification and digitisation driving 26% faster **'time to yes'**<sup>2</sup> and 11% **lower business lending unit costs**<sup>3</sup>
- New products launched include **NAB Agri Green Loan** and **NAB Flex-Flow Loan** for merchants



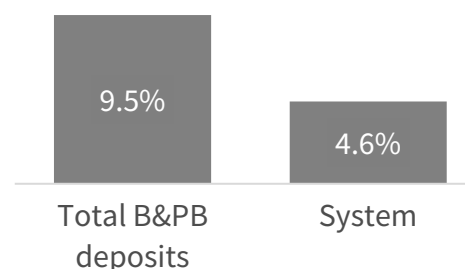
## Growing business deposits

- Faster, more seamless process for banker-assisted **TD origination** with embedded anti-money laundering and Know Your Customer (KYC)
- ~**70% of B&PB** lending customers with active transaction accounts
- 33% growth in **new transaction account** openings 1H23 vs 1H21 with continued strong digital origination

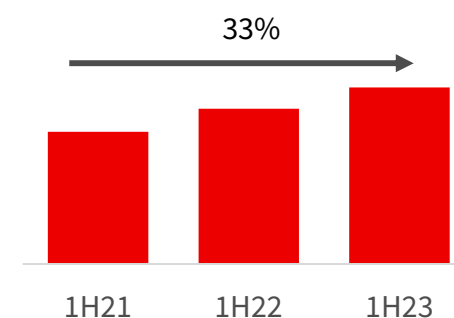
Business lending growth YoY<sup>4</sup>



Growth in deposit balances YoY<sup>6</sup>



New Business Transaction Account openings

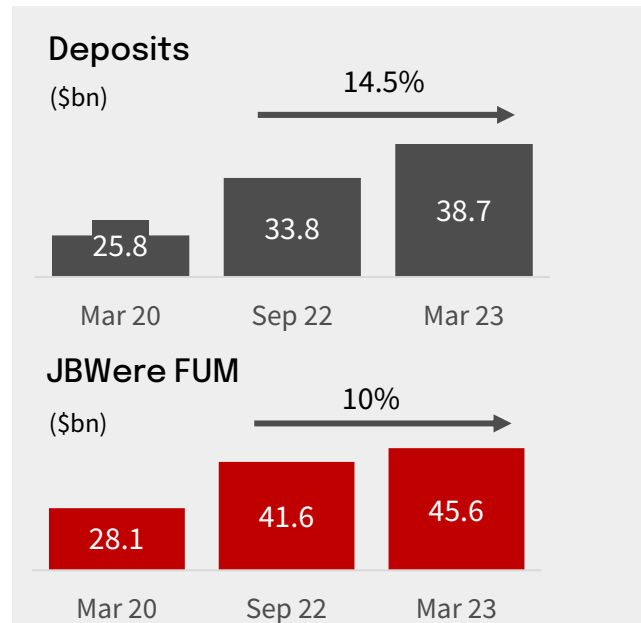


(1) Derived from RBA statistics. A business is classified as Small under the RBA if the business has turnover less than \$50m and loans less than \$1m. Latest market share at February 2023  
 (2) Average monthly median days from submission of a customer's application to unconditional approval 12 months to March 2023 versus 12 months to March 2022. Refers to non-automated lending  
 (3) Represents full end to end costs from application through to settlement. Excludes banker costs. September 2021 to March 2023  
 (4) Growth rates are on a customer segment basis and not industry. CRE primarily represents investment lending across a range of asset classes including Retail, Office, Industrial, Tourism and Leisure, and Residential  
 (5) A business is classified as B&PB if NAB has exposure to the business less than \$50m and the business has turnover less than \$100m. A business is classified as SME under the RBA if the business has turnover less than \$50m. Latest market share derived from RBA statistics as at February 2023 (12 months to February 2023)  
 (6) System represents APRA Monthly Authorised Deposit Taking Institutions statistics - Australian Business Deposits excluding Financial Institutions. Latest data as at March 2023

# Driving growth in target segments

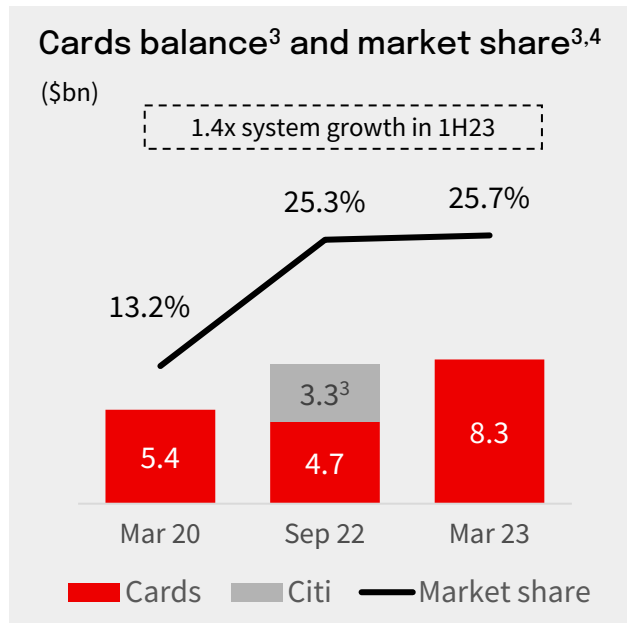
## High Net Worth (Private Bank and JBWere)

- Integrated strategy delivering strong lift in business referred across B&PB since Mar 22
- Achieving strong growth in deposits (3.5x system<sup>1</sup>) and FUM
- #1 in High Net Worth NPS<sup>2</sup>



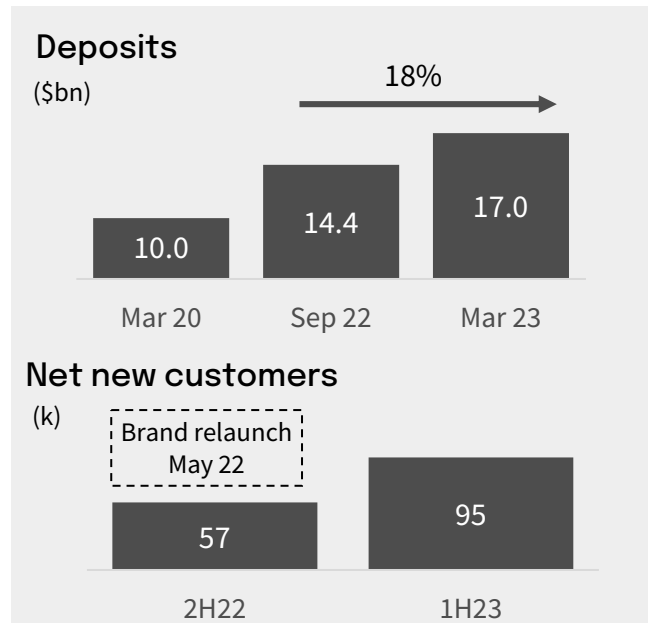
## Unsecured lending

- Combined NAB and Citi Consumer Business capabilities delivering account growth across both businesses
- Acquisition providing access to strong white label partners
- 6% total unsecured account growth in 1H23, supported by increased automation and improved conversion rates



## ubank

- Growing in target customer segment with 95k net new customers in 1H23 and 55% of new customers <35yrs
- Achieving strong growth in deposits, up \$2.6bn in 1H23 (4.8x system<sup>1</sup>)
- Well progressed on 86 400 integration, 75% of original customers now upgraded to new platform<sup>5</sup>



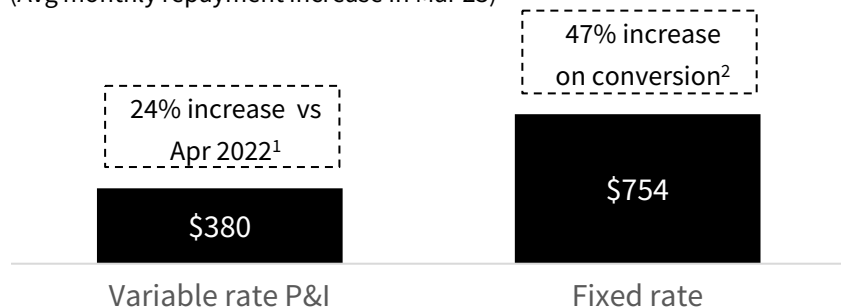
(1) Period October 2022 – March 2023 based on APRA Monthly Authorised Deposit-taking Institution statistics  
 (2) DBM Consumer Atlas (part of RFI Global), measured on 6 month rolling average to March 2023. Includes consumers with investible assets of \$2.5m+. Ranking based on absolute scores, not statistically significant differences and compared against major peers as at March 2023  
 (3) Includes consumer and commercial cards and \$3.3bn represents Citi Consumer Business balances acquired by NAB Group on 1 June 2022  
 (4) Market share refers to consumer cards only. APRA Monthly Authorised Deposit-taking Institution statistics. Latest data as at March 2023  
 (5) Refers to original UBank customers who are eligible to be upgraded to the new platform

# Navigating a challenging home lending environment

## Market context driving intense pricing competition

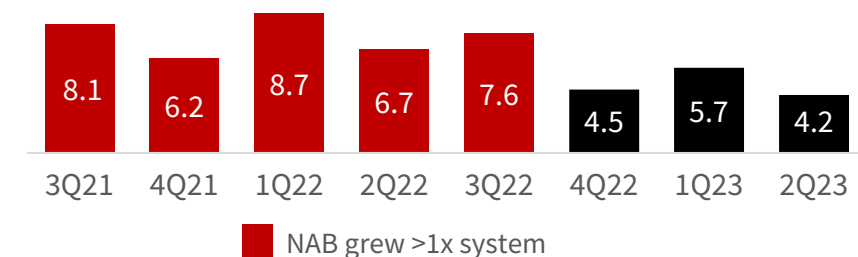
### Cash rate increases flowing to higher mortgages repayments

(Avg monthly repayment increase in Mar 23)

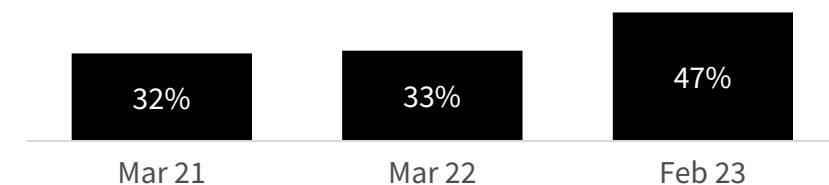


### Home lending system growth<sup>3</sup> has slowed

(% quarterly growth annualised)



### Refinancing proportion of system flow<sup>4</sup>



## Key priorities in home lending

- **Supporting mortgage customers** facing increased cost of living pressures
  - Proactive customer engagement with customers rolling off FR loans – ~85% retention to date
- Continue to maintain a **disciplined approach in home lending**

Home lending growth – half year multiple of system<sup>5</sup>



## Ongoing focus on positive customer and broker experiences

- **Simplified Tailored Home Loan product** featuring tiered LVR pricing now rolled out across all channels
- Enhanced broker experience with **straight-through-processing of our instant pricing tool** to assist with customer retention
- **Rollout of simple home loans through B&PB channel progressing well** with ~40% of banker flow submitted via the platform

(1) Based on variable rate (VR) principal and interest (PI) loans on book at April 2022 and still on book at March 2023 who experienced an increase in repayments. Excludes 86 400 and Citi Consumer Business mortgages  
 (2) Based on fixed rate (FR) loans that converted to variable rate in March 2023. Excludes 86 400 and Citi Consumer Business mortgages  
 (3) APRA Monthly Authorised Deposit-taking Institution statistics – December 2020 to March 2023  
 (4) Australian Bureau Statistics. Lending Indicators - New borrower-accepted finance commitments for housing  
 (5) APRA Monthly Authorised Deposit-taking Institution statistics. Latest data as at March 2023. 2H22 excludes impact of Citi Consumer Business balances acquired at completion on 1 June 2022, 1H23 adjusted for Citi Consumer Business reclassification



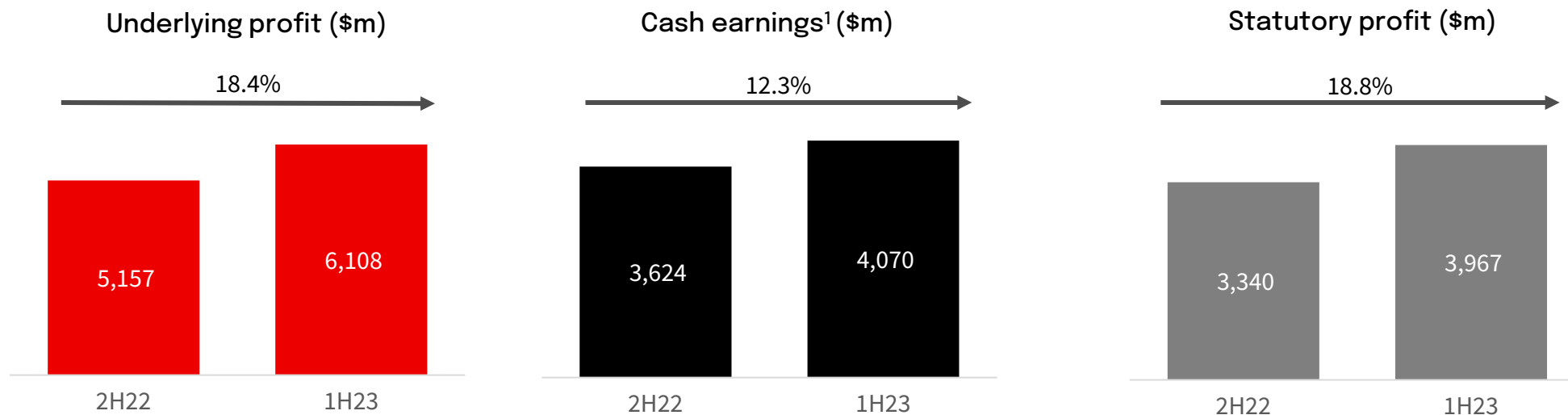
# 1H23 Financials

**Gary Lennon**

Group Chief Financial Officer



# Group Financial Results

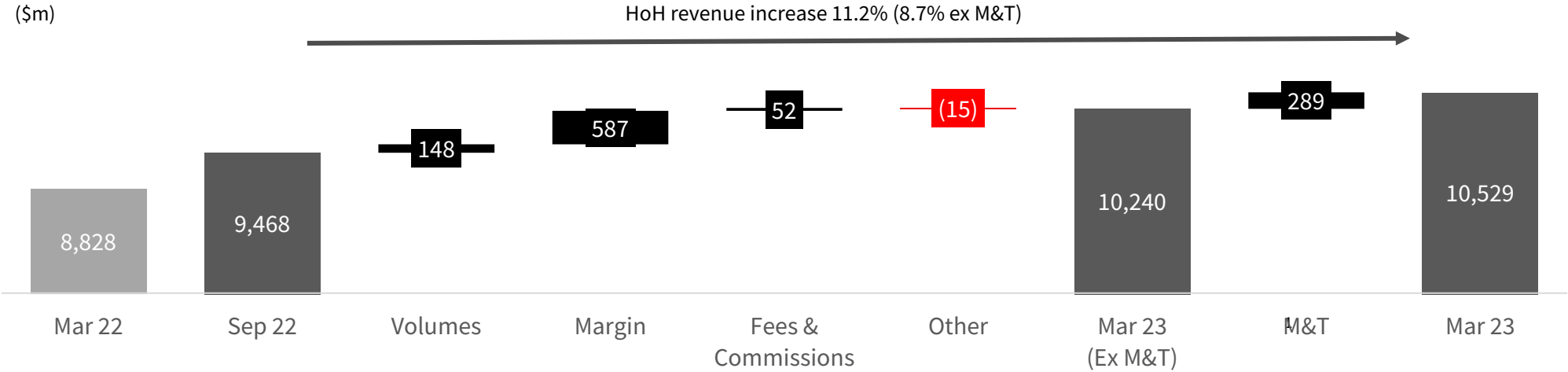


P&L key financial indicators	1H23 (\$m)	1H23 v 2H22
Net operating income	10,529	11.2%
<i>ex Markets &amp; Treasury</i>	9,618	8.7%
Operating expenses	(4,421)	2.6%
Credit impairment charge	(393)	Large

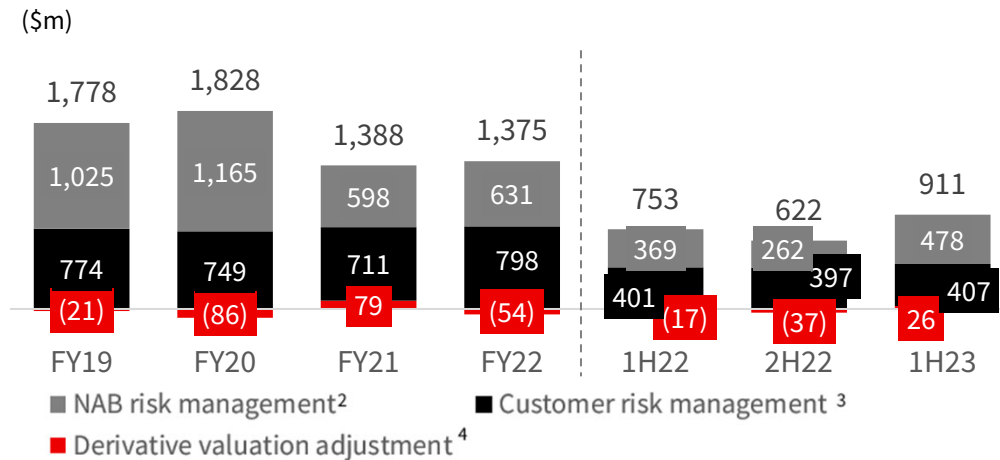
(1) Refer to page 37 for definition of cash earnings and reconciliation to statutory profit

# Strong revenue growth

## Net operating income



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



## Key revenue drivers HoH

- NII growth driven by higher margins and volumes
- Increased Fees & Commissions mainly due to lower customer remediation in 2H22 (\$27m), Citi<sup>1</sup> and higher merchant and cards income
- Higher NAB Risk Management income mainly due to favourable trading conditions in 1H23

(1) Citi refers to Citigroup's Australian consumer business, acquired by the NAB Group on 1 June 2022

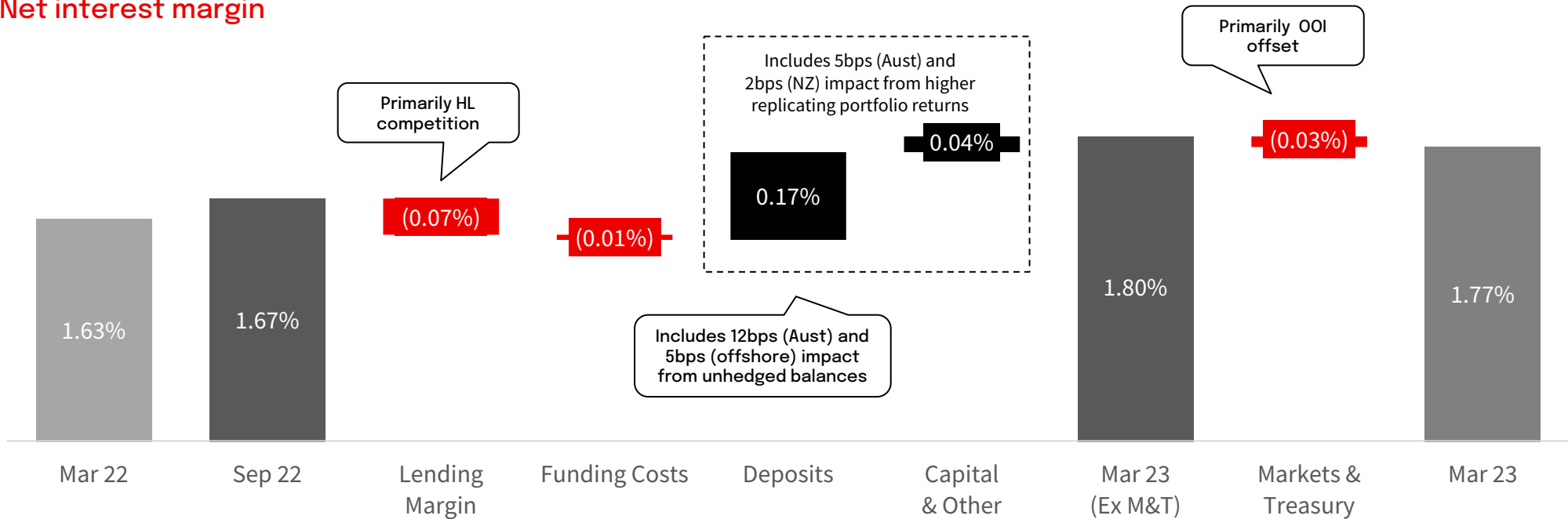
(2) NAB risk management comprises NII and OOI and is defined as management of interest rate risk in the banking book (IRRBB), wholesale funding and liquidity requirements and trading market risk to support the Group's franchise

(3) Customer risk management comprises OOI and NII

(4) Derivative valuation adjustments include credit valuation adjustments and funding valuation adjustments

# Net interest margin

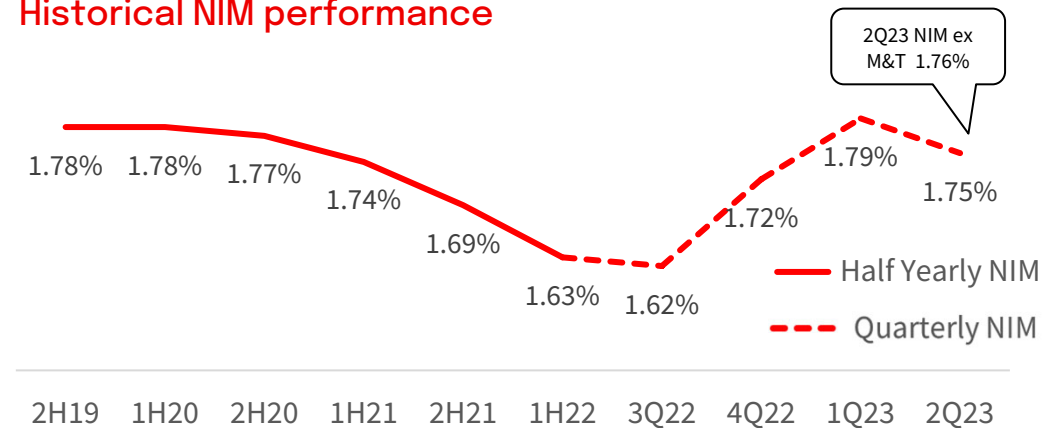
## Net interest margin



## Key considerations for 2H23<sup>1</sup>

- Housing lending competitive pressures likely to continue
- NIM impact of RBA cash rate increases on unhedged deposits peaked in 1H23 – further impacts expected to be modest
- Ongoing headwinds from deposit competition and mix
- Benefit of higher swap rates on deposit and capital replicating portfolios of ~4bps for 2H23<sup>2</sup>

## Historical NIM performance



(1) Refer to key risks, qualifications and assumptions in relation to forward looking statements on page 128

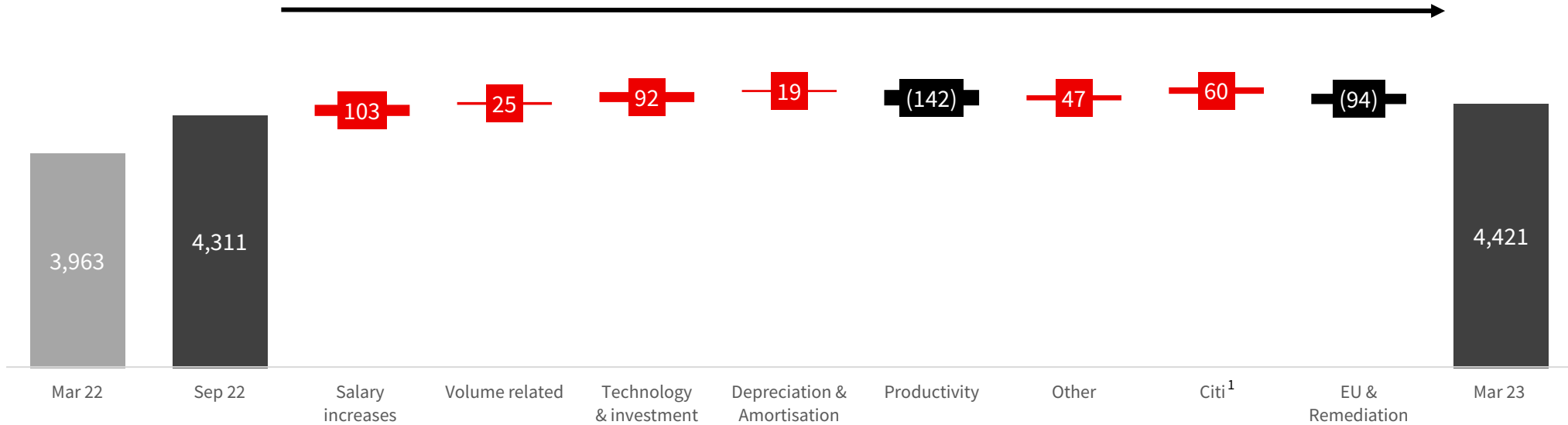
(2) Based on 3 and 5 year swap rates as at 31 March 2023 for the Australian capital and deposit replicating portfolios respectively, AIEA and replicating portfolio volumes at 31 March 2023

# Operating expenses

## Operating expenses (HoH)

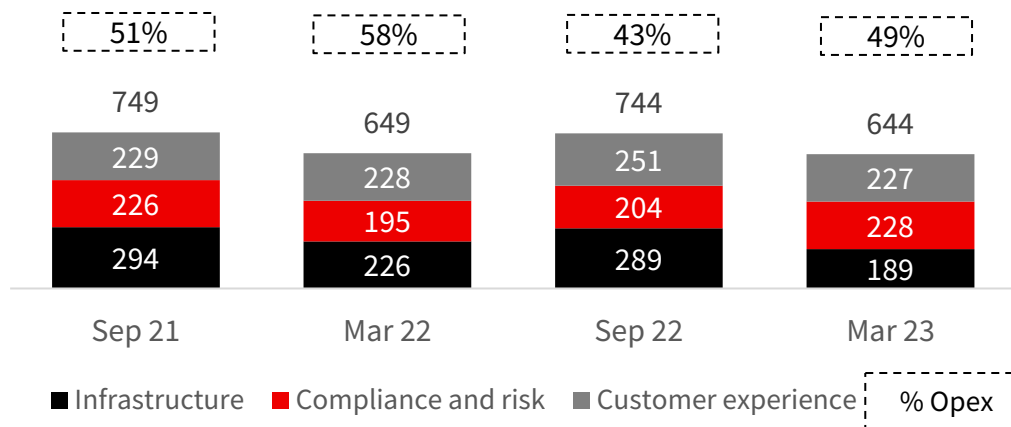
(\$m)

Total expenses up 2.6% HoH (ex Citi 1.2%)



## Investment spend

(\$m)



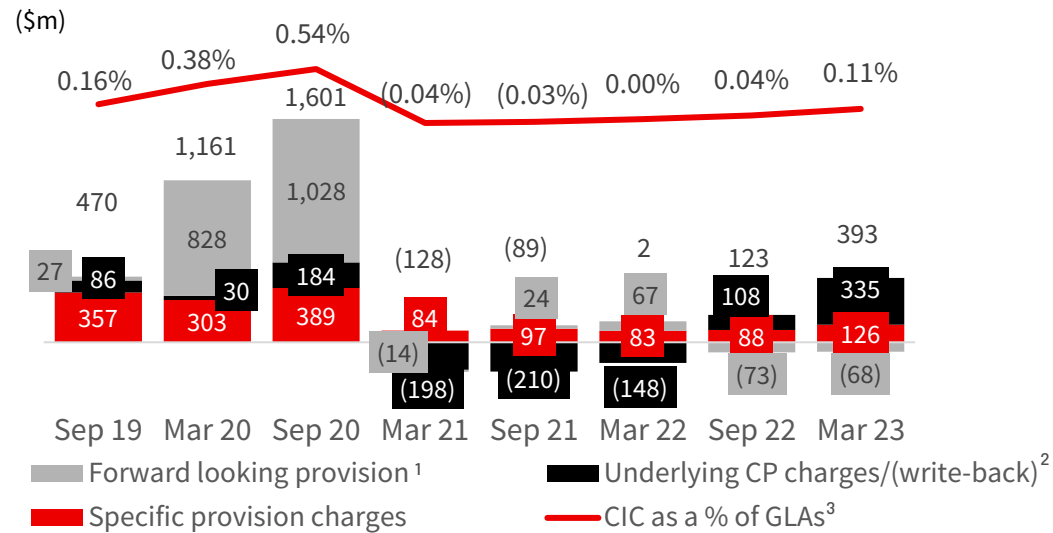
## Comments<sup>2</sup>

- Other includes \$43m financial crime capability uplift and frauds and scams
- 1H23 Citi costs of \$210m
- EU-related costs of \$56m (\$70m in 2H22), expected to be \$80-120m in FY23 and FY24
- Targeting productivity savings of ~\$400m in FY23
- Overall Cost to Income ratio for FY23 expected to be lower than FY22<sup>3</sup>

(1) Citi refers to Citigroup's Australian consumer business, acquired by the NAB Group on 1 June 2022  
 (2) Refer to key risks, qualifications and assumptions in relation to forward looking statements on page 128  
 (3) Excluding any large notable items

# Increase in CICs and stabilising asset quality

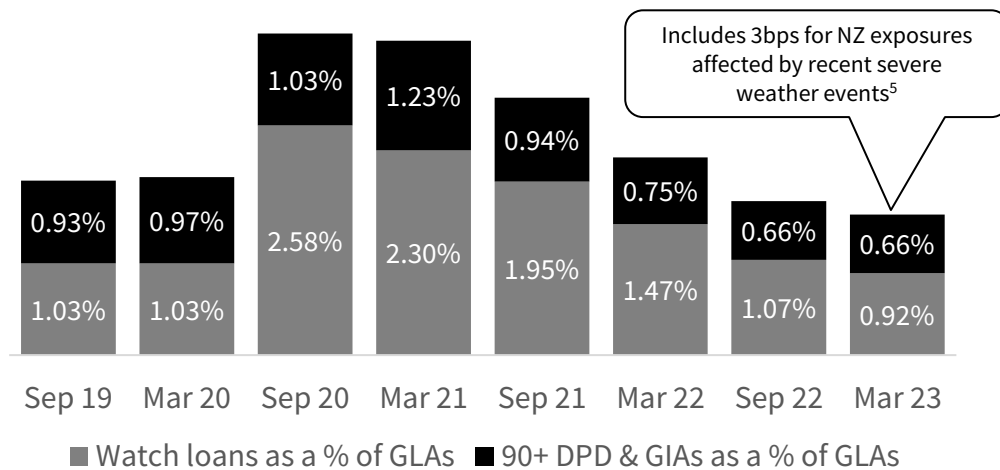
## Credit impairment charge (CIC)



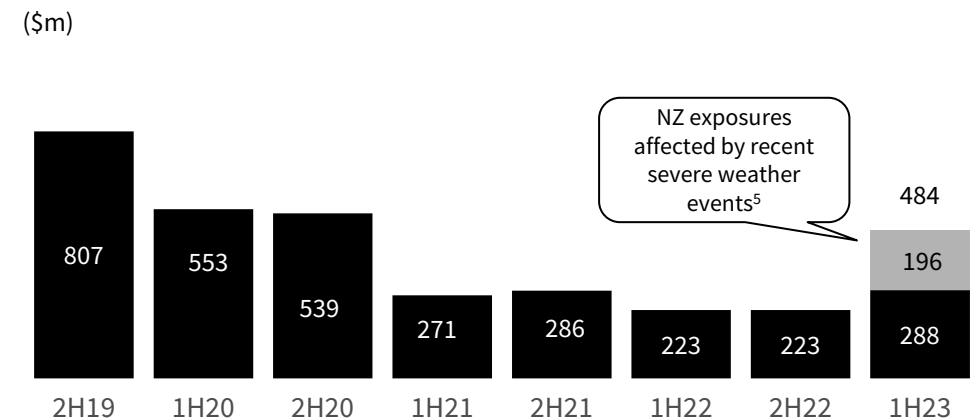
## Key 1H23 drivers

- Underlying CIC of \$461m reflecting lower house prices, volume growth and modest increase in specific provision charges
- Net \$68m release of forward looking provisions
- 90+ DPD & GIA ratio is flat reflecting:
  - improvement in Australian home lending arrears
  - restructure of a number of customers affected by recent severe weather events in New Zealand impacting GIAs, offset by improvements in Australian lending portfolio

## 90+DPD, GIAs and watch loans as a % of GLAs<sup>4</sup>



## New impaired assets



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

(2) Represents collective credit impairment charge less forward looking provision

(3) Half year annualised

(4) Referral to Watch generally triggered by banker annual reviews through the year or as a result of performing customers experiencing cashflow pressures

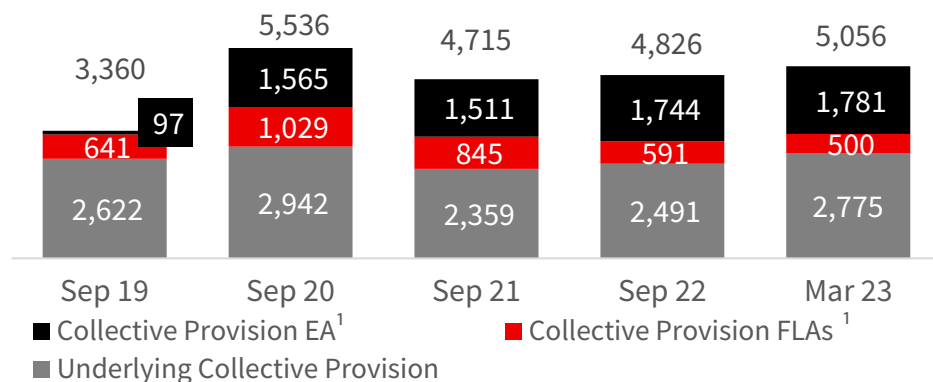
(5) A portfolio of customers affected by recent severe weather events in New Zealand have been granted up to 6 months of interest forgiveness. These customers have been classified as "Restructured loans" in accordance with APS 220 Credit Risk Management

# Strong provisioning maintained

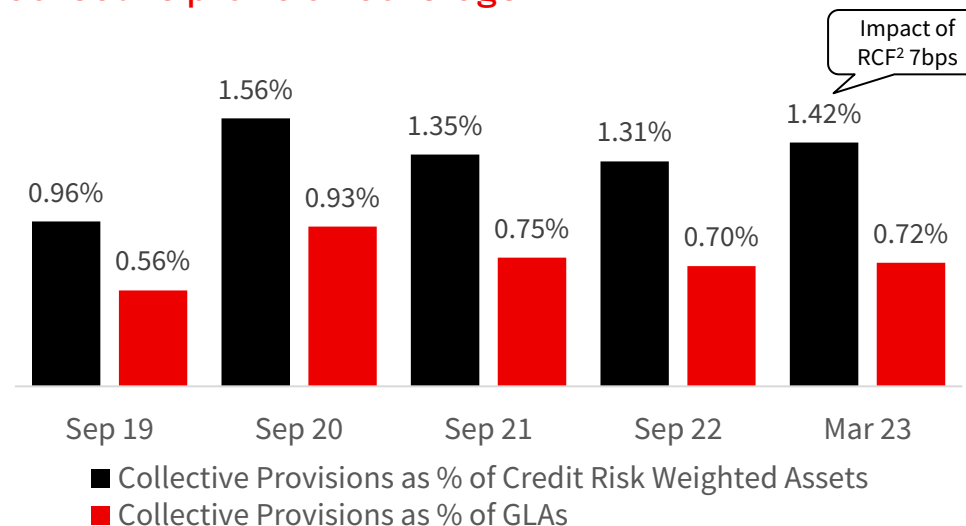
## Collective provision balances

(\$m)

Mar 23 includes \$1.5bn of additional forward looking provision vs Sep 19

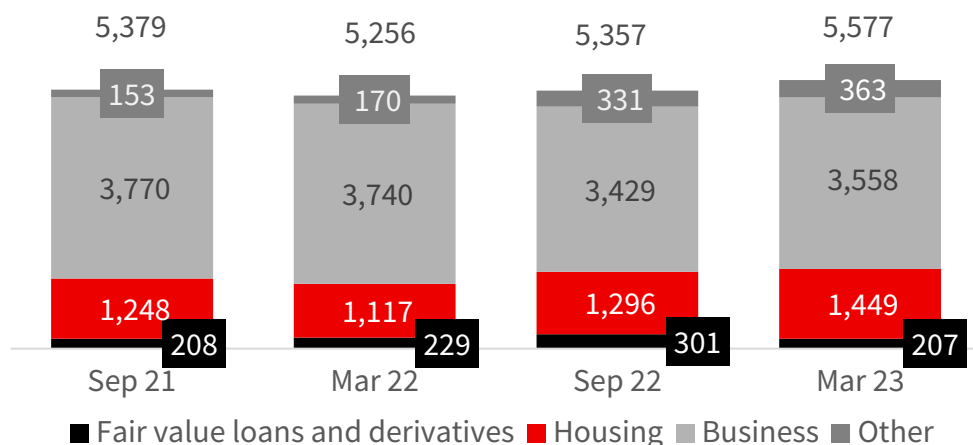


## Collective provision coverage



## Total provisions for expected credit losses

(\$m)



## Prudent provisioning assumptions

- No changes to ECL scenario weighting since Sep 22
- Net FLA reduction \$91m

Key Australian economic assumptions considered in deriving ECL <sup>3</sup>						
%	Base case			Downside		
	FY23	FY24	FY25	FY23	FY24	FY25
GDP change YoY	1.5	0.6	2.1	(2.7)	(1.6)	2.1
Unemployment	3.8	4.6	4.7	6.4	9.7	9.9
House price change YoY <sup>3</sup>	(12.6)	0.4	6.0	(11.2)	(18.6)	(2.5)

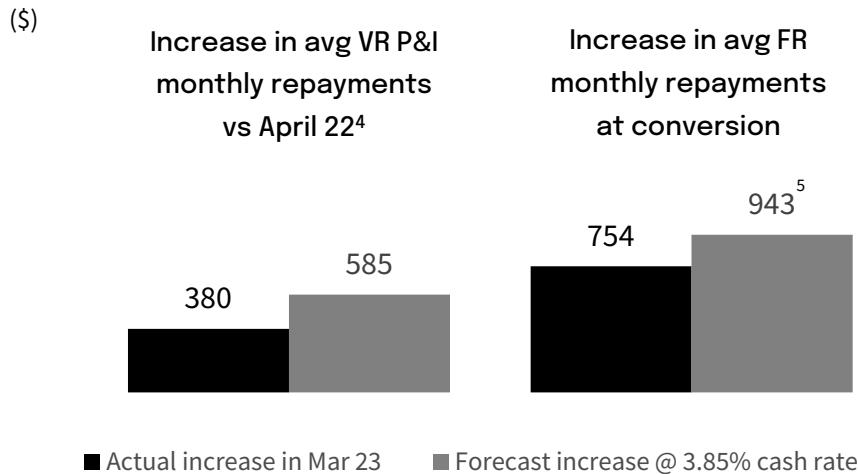
(1) Collective provision FLAs / EA March 2022, September 2022 and March 2023 figures include \$5m, \$10m and \$14m movements respectively due to foreign exchange

(2) Impact of a reduction in credit risk-weighted assets as a result of the implementation of the revised capital framework from 1 January 2023. Refer NAB's March 2023 Pillar 3 Report for further details

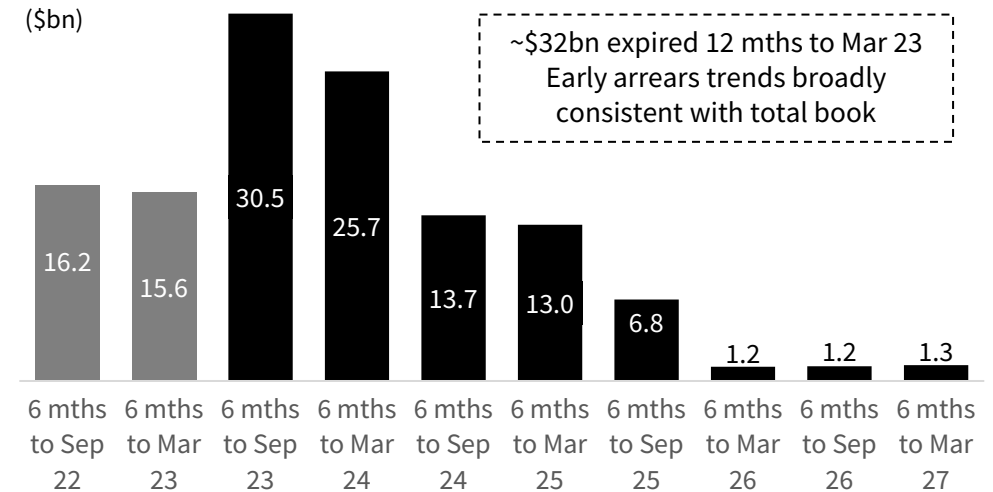
(3) Scenarios, prepared for purposes of informing forward looking provisions, rely on NAB Economics modelling and management judgement. The base case macro-economic variables are based on NAB Economics forecasts as at 31 March 2023

# Australian housing lending \$333bn<sup>1</sup>

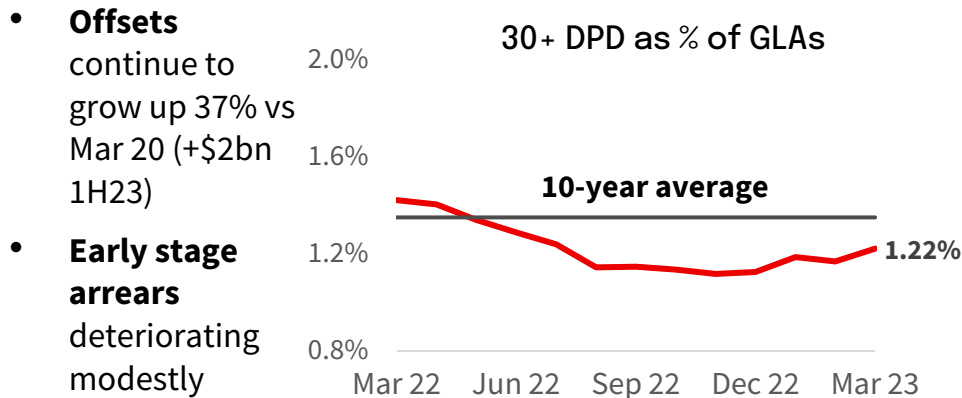
## Cash rate increases now more meaningful to customer repayments<sup>2,3</sup>



## Fixed Rate (FR) home loan expiry profile



## Customer impacts are uneven



## Scenario analysis to identify higher risk exposures<sup>6,7</sup>

	Dynamic LVR with no LMI or FHB guarantee		
	> 80%	of which >85%	of which >90%
<b>Repayment buffer &lt; 12 months (Total \$95bn)</b>	\$16.7bn	\$9.2bn	\$3.9bn
<b>of which Repayment buffer &lt; 3 months (Total \$80bn)</b>	\$14.7bn	\$8.0bn	\$3.4bn

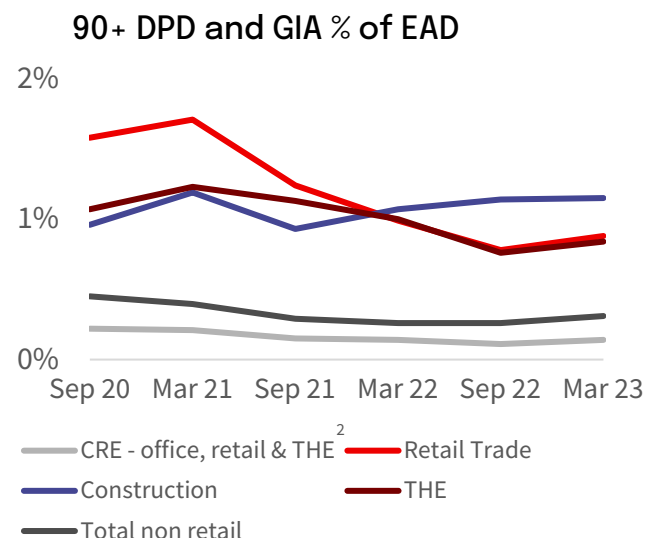
(1) Excludes 86 400 and Citi Consumer Business mortgages  
 (2) Increase in Mar 23 for VR reflects change in repayments at Mar 23 vs Apr 22 for customers subject to an increase in repayments. Increase in Mar 23 for FR reflects change in repayments from FR to VR for loans expiring in Mar 23  
 (3) Forecast increase at 3.85% cash rate when fully reflected in actual customer repayments. Analysis assumes full pass through of cash rate increases to current customer rates with no changes in customer discounts  
 (4) Based on VR principal and interest (PI) loans on book at Apr 22 and still on book at Mar 23. Increase relative to customer repayments in Apr 22  
 (5) Expected repayment increase analysis excludes FR home loans expiring after Mar 24 given uncertainty regarding cash rates and relevant customer variable rates applicable at expiry of these FR terms  
 (6) Based on \$163bn of loans currently on book which were originated between Aug 19 and July 22 with average serviceability threshold <6% less FR home loans expiring after Mar 24  
 (7) Repayment buffer based on the sum of offset and redraw balances as a multiple of adjusted monthly repayments using a 3.85% cash rate



# Group non retail EAD \$615bn<sup>1</sup>

## Non retail asset quality sectors of interest \$84bn EAD

- **Closely monitoring** exposures to sectors most challenged by higher interest rates and inflation and softening consumer spend
- **Lower exposure** as % of total book since Mar 20
- Sectors of interest account for **86% of total non retail FLAs**

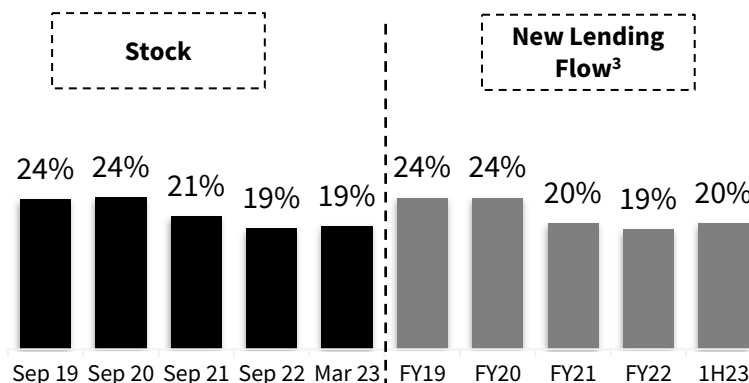


Mar 23	EAD \$bn <sup>1</sup>	EAD <sup>1</sup> change since Mar 20 %	FLA \$m
Retail Trade	15.0	2.7%	67
Tourism, Hospitality & Entertainment (THE)	13.5	-0.7%	70
Construction	12.8	9.4%	52
CRE - Office, retail & THE <sup>2</sup>	42.9	2.1%	166
<b>Non retail sectors of interest</b>	<b>84.2</b>	<b>2.8%</b>	<b>355</b>
<b>Total non retail book</b>	<b>615</b>	<b>25.5%</b>	<b>412</b>

## Business & Private Banking division – business lending GLA \$137bn

- **Well diversified, highly secured portfolio** with material discounts applied to market valuations
- Above average sector **profitability<sup>4</sup>**
- B&PB **deposits up >30%** since Sep 20 (up \$10bn in 1H23)
- **Utilisation rates** below pre COVID-19 levels

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



### Higher risk balances

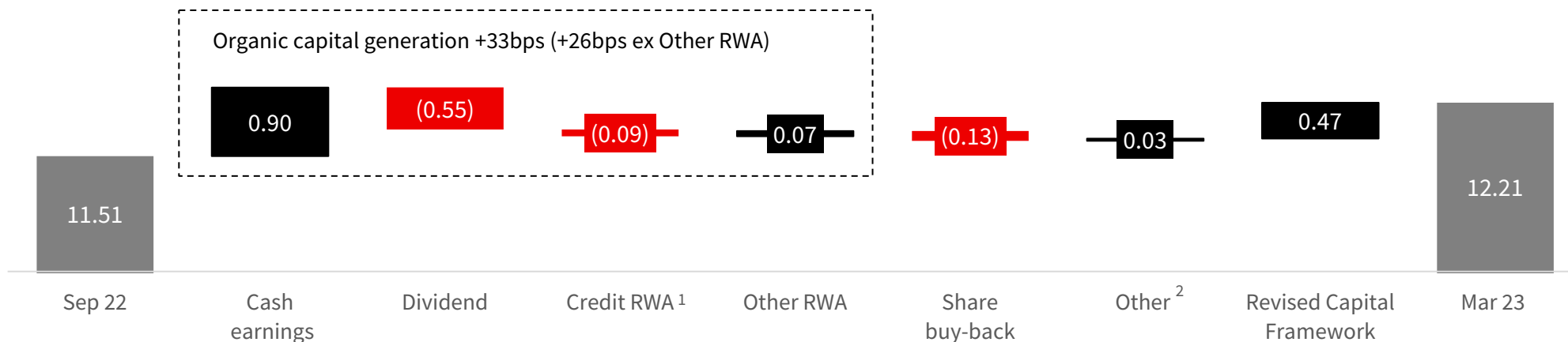
\$bn	Total balances with PD ≥ 2%
Not fully secured	~8.8
Of which: Unsecured	~1.6

(1) March 2023 includes the impact of changes to the calculation of EAD as a result of the implementation of the revised capital framework from 1 January 2023. Refer NAB's March 2023 Pillar 3 Report for further details  
 (2) CRE EAD figures are limits based on ARF230 and CRE FLAs relate to total CRE portfolio with Office, Retail and THE CRE viewed as most at risk  
 (3) Lending to new customers and increased lending to existing customers during the financial year  
 (4) NAB Economics Quarterly Business Survey for March 2023

# Capital remains above target range

## Group Basel III Common Equity Tier 1 capital ratio

(%)



## CET1 considerations

- Strong organic capital generation in 1H23
- Impact of revised capital framework of +47bps
- \$2.5bn share buy-back announced in March 2022 completed, including \$0.6bn in 1H23 (-13bps CET1)
- Level 1 CET1 of 12.0% at March 2023
- CET1 target range of 11.00-11.50%

## Risk-weighted assets

(\$bn)



(1) Excludes FX translation

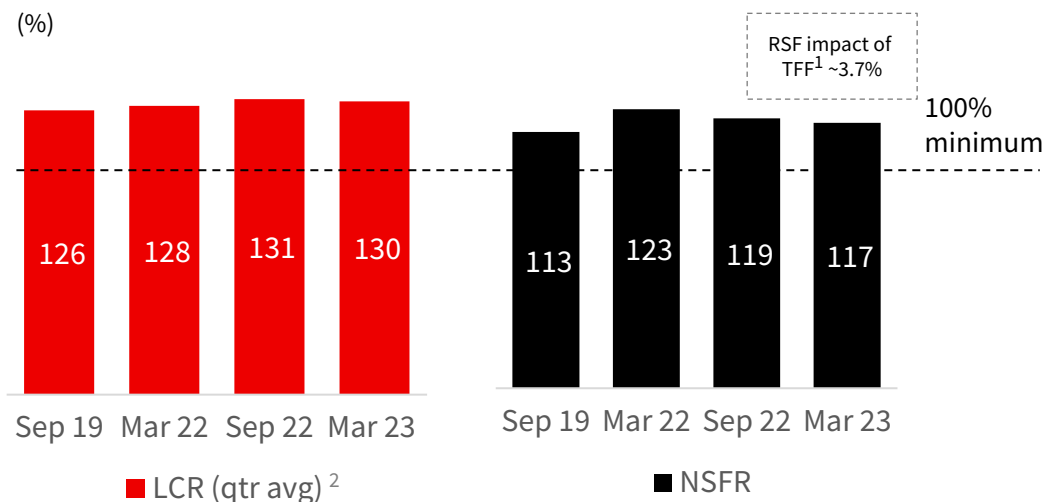
(2) Includes +7bps net FX translation

# Funding and liquidity well placed

## Key messages

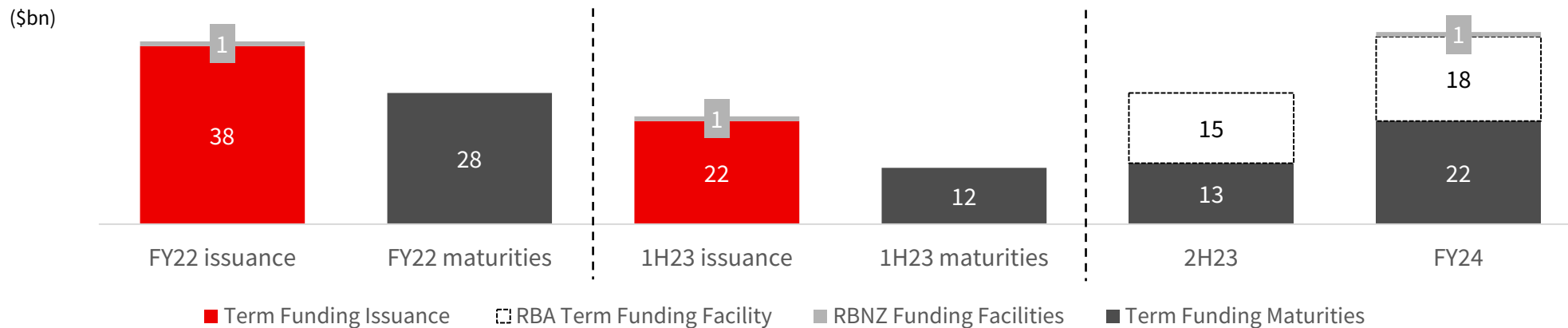
- Strong funding and liquidity position, well above regulatory minimums
- Total regulatory liquid assets of \$202bn, including \$47bn above the minimum regulatory requirement
- Additional \$59bn contingent liquidity in the form of internal RMBS
- NSFR expected to moderate to pre COVID-19 levels reflecting the impact of TFF and CLF transitions
- Well advanced on term funding needs for FY23 with \$23bn issued 1H23

## Liquidity position well above regulatory minimums



## Term funding issuance<sup>3</sup> & maturity profile<sup>4</sup>

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



(1) Group NSFR at March 2023 includes a 3.7% benefit from the Required Stable Funding (RSF) treatment of TFF collateral. This will no longer be available following the repayment of the TFF  
 (2) Average LCR for the three months ended 31 March 2022 and 30 September 2022 has been restated from that previously disclosed. Details of the restatement are outlined in the Appendix of First Quarter Pillar 3 Report 2023  
 (3) Includes senior unsecured, secured (covered and RMBS) and subordinated debt with an original term to maturity or call date of greater than 12 months, excludes Additional Tier 1 instruments. FX rate measured at time of issuance  
 (4) Maturity profile of funding with an original term to maturity greater than 12 months, excludes Additional Tier 1 and RMBS. Spot FX rate at 31 March 2023

A decorative background of stars in red, black, and light grey, arranged in a circular pattern that is partially obscured by the text.

# Closing comments

**Ross McEwan**

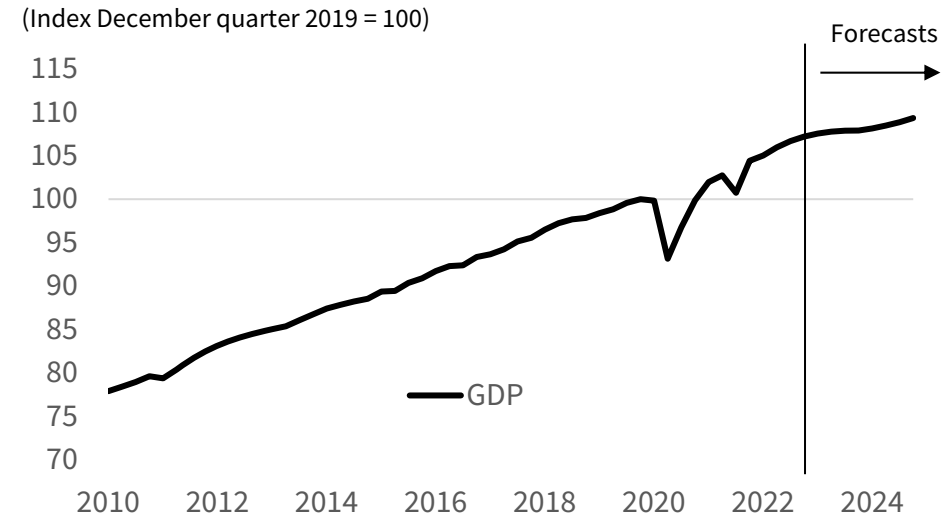
Group Chief Executive Officer

# Australian economy to slow but remain resilient

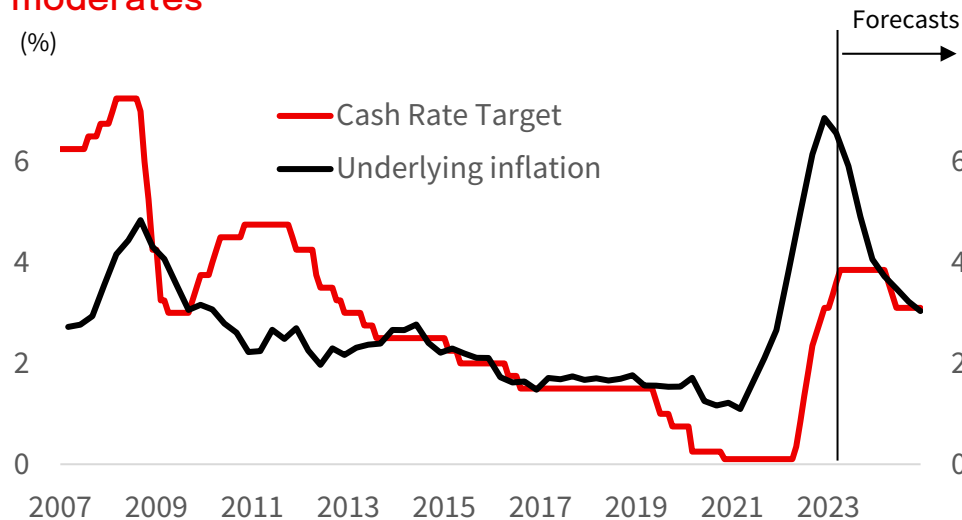
## Cautiously optimistic about the outlook, although downside risks remain

- Some customers more impacted by higher cost of living and interest rates, although **inflation is expected to moderate** and the **cash rate is near its peak**
- **House prices** expected to fall by ~4% in CY23 for a total ~12% peak to trough decline (was 20%)
- Robust **employment** conditions expected in CY23
- **Population growth** rebounding with increasing immigration
- **Business conditions** remain above long-term averages; **confidence levels** have softened

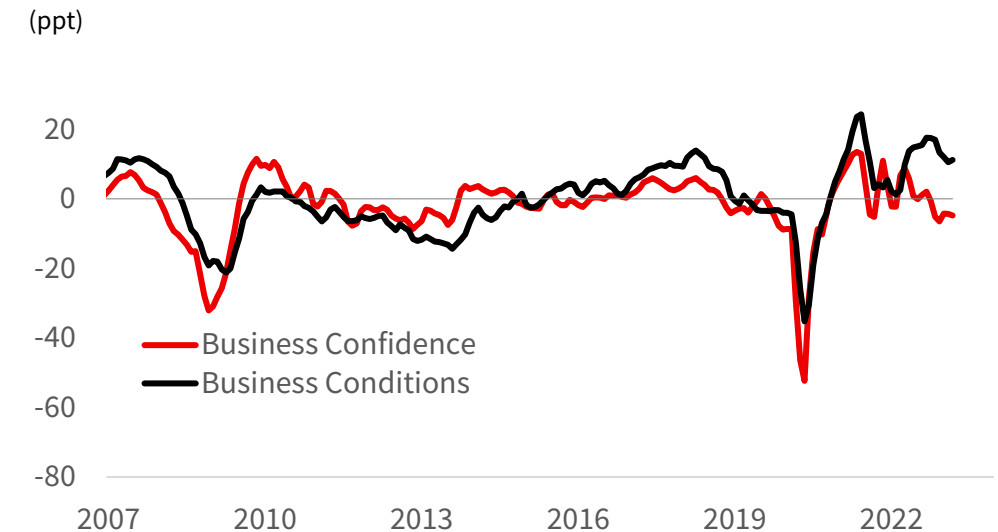
## GDP<sup>1</sup> is 7.2% above pre-COVID-19; growth is slowing but expected to remain positive



## Cash rates<sup>2</sup> expected to stabilise as inflation moderates



## Business conditions are high, confidence has softened<sup>3</sup>



(1) Source: ABS, NAB Economics, Macrobond. Index of real GDP growth. Data to December quarter 2022. NAB Economics Forecasts thereafter

(2) Source: RBA, NAB Economics, Macrobond. Cash rate Data to 2 May 2023, NAB Economics forecasts thereafter, CPI data to Q1 2023 and NAB Economics data there after

(3) Source: NAB Economics. All industry measures from the NAB Monthly Business Survey. Ppt deviation in the Net Balance from average since March 1997. Data to March 2023

# Disciplined execution of our strategy to deliver long-term growth

Key priorities in FY23 are aligned to our long-term strategy

- Support our customers and colleagues
- Retain balance sheet strength and prudent risk settings
- Continued disciplined approach to managing costs with a focus on productivity
- Progress agreed plan for AUSTRAC Enforceable Undertaking
- Integration of 86 400 and Citi Consumer Business

Our long-term strategy - “What we will be known for”

## Relationship-led

- Relationships are our strength

## Easy

- Simple to deal with

## Safe

- Responsible and secure business

## Long-term

- A sustainable approach

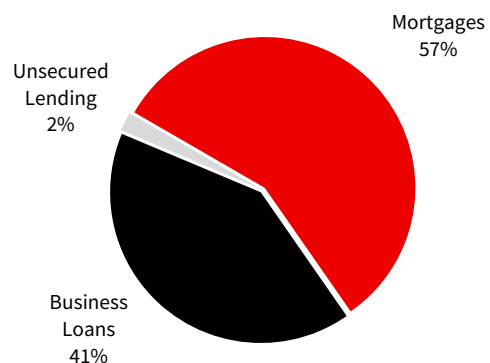
# Additional Financial Information



Cash earnings divisional split <sup>1</sup>	% of 1H23 Cash Earnings
Business and Private Banking	42%
Personal Banking	19%
Corporate and Institutional Banking	23%
New Zealand Banking	19%
Corporate Functions & Other	(3%)
Cash Earnings	100%

Key Financial Data	1H23
Cash Earnings <sup>1</sup>	\$4,070m
Cash ROE	13.7%
Gross Loans & Acceptances	\$701bn
Customer deposits	\$575bn
90+ DPD and gross impaired loans	66 bps
CET1 (APRA)	12.21%
NSFR (APRA)	117%
Australian Market Share	As at Mar 23
Business lending <sup>2</sup>	21.6%
Housing lending <sup>2</sup>	14.7%
Cards <sup>2</sup>	25.7%
Key Non-Financial Data	1H23
# Employees	36,963
# Branches / Business Centres	680

## Gross loans & acceptances split



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

(1) Refer to page 37 for definition of cash earnings and reconciliation to statutory net profit

(2) APRA Monthly Authorised Deposit-taking Institution statistics. Business lending market share excludes financial institutions, general government and community service organisations



# Divisional contributions

Divisional cash earnings <sup>1</sup>	Cash Earnings		Underlying Profit	
	1H23 (\$m)	1H23 v 2H22	1H23 (\$m)	1H23 v 2H22
Business and Private Banking	1,714	8.2%	2,700	14.8%
Personal Banking	785	(2.2%)	1,286	10.1%
Corporate and Institutional Banking	940	14.4%	1,272	20.1%
New Zealand Banking <sup>2</sup>	825	12.2%	1,167	11.0%

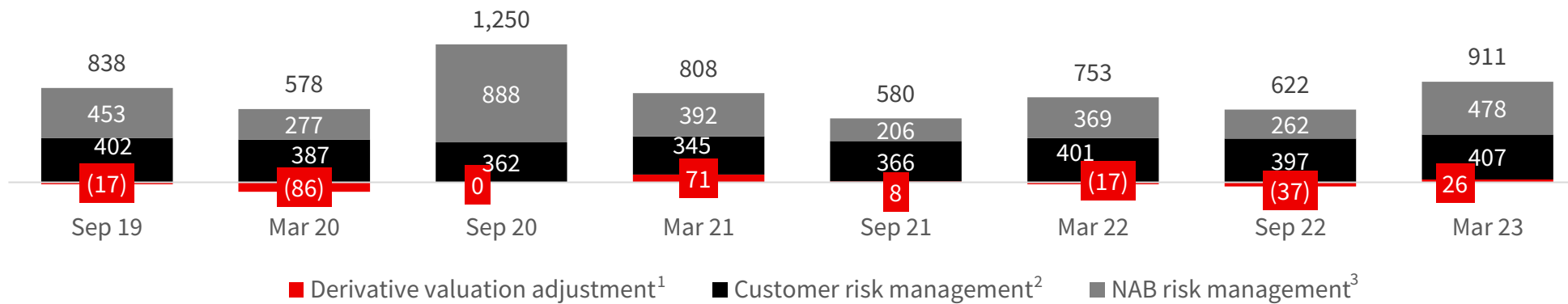
(1) Refer to page 37 for definition of cash earnings and reconciliation to statutory net profit

(2) New Zealand Banking In local currency

# Markets & Treasury income

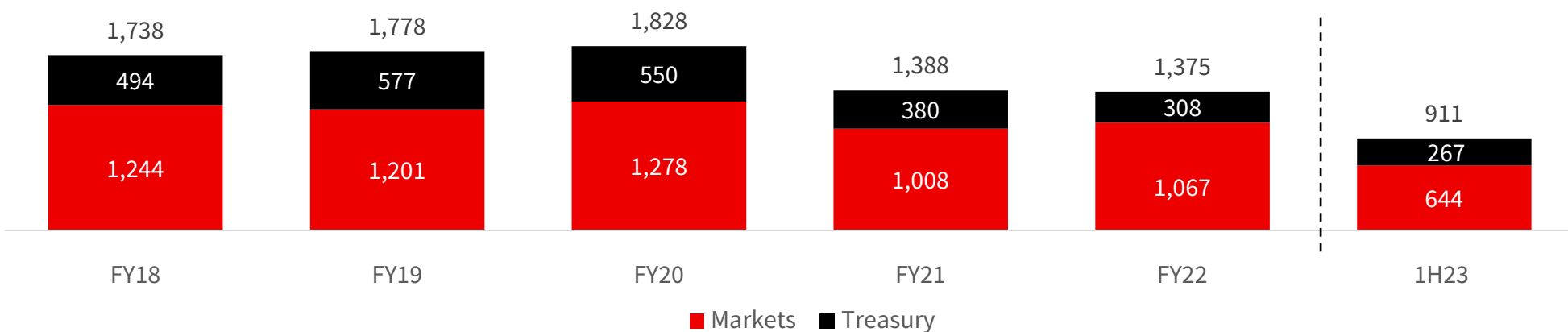
## Markets & Treasury income breakdown

(\$m)



## Historical Markets & Treasury income

(\$m)



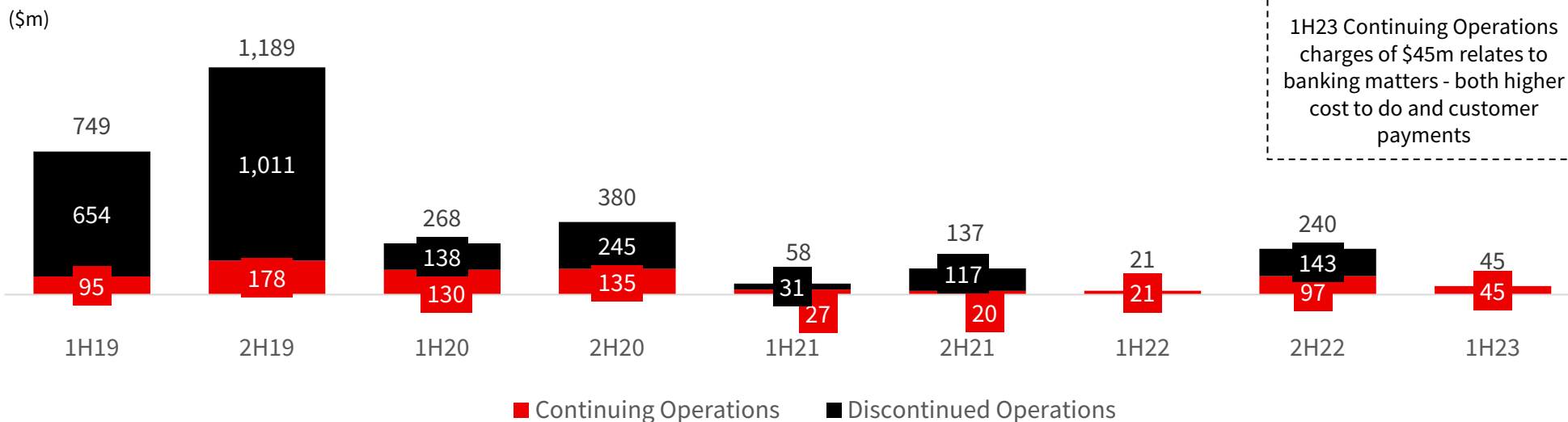
(1) Derivative valuation adjustments include credit valuation adjustments and funding valuation adjustments

(2) Customer risk management comprises OOI and NII

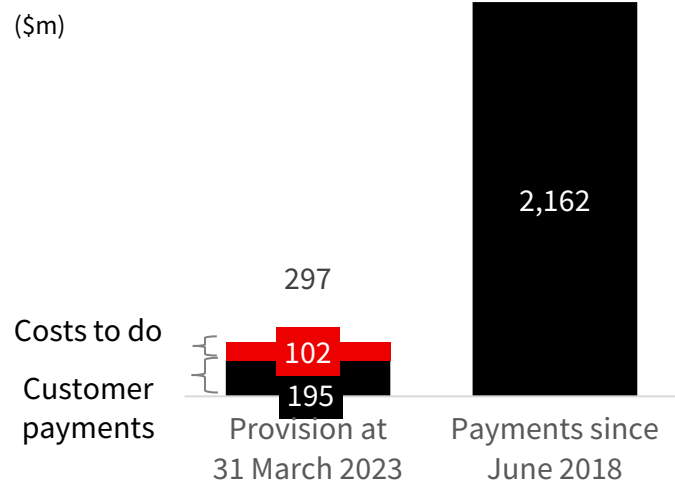
(3) NAB risk management comprises NII and OOI and is defined as management of interest rate risk in the banking book (IRRB), wholesale funding and liquidity requirements and trading market risk to support the Group's franchise

# Customer-related and payroll remediation

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



## Customer-related remediation provisioning and utilisation



- >786 colleagues dedicated to remediation activities
- >2m payments to customers since June 2018 totalling \$2,162m – up 7.3% from FY22

## Payroll remediation

- The program reached practical completion in December 2022 with known remediation matters resolved, any other payroll reviews will be conducted through the normal course of business

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

# AUSTRAC Enforceable Undertaking

## Overview of Enforceable Undertaking

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

## Status as at March 2023

- An External Auditor was appointed in May 2022 and will report to NAB and AUSTRAC periodically. The Auditor has commenced engagement with NAB and AUSTRAC
- NAB has established a governance structure to oversee delivery of the RAP commitments and coordinate the completion of activities
- NAB continues to work closely with AUSTRAC to monitor and deliver agreed actions
- NAB has completed approximately half of the required activities under the RAP (subject to confirmation by the External Auditor where required, and noting that some of the more complex activities under the RAP have longer time frames for completion)
- Estimated costs \$80-\$120m p.a. in FY23 and FY24
  - This is in addition to \$103m in FY22
  - 1H23 actual cost incurred \$56m

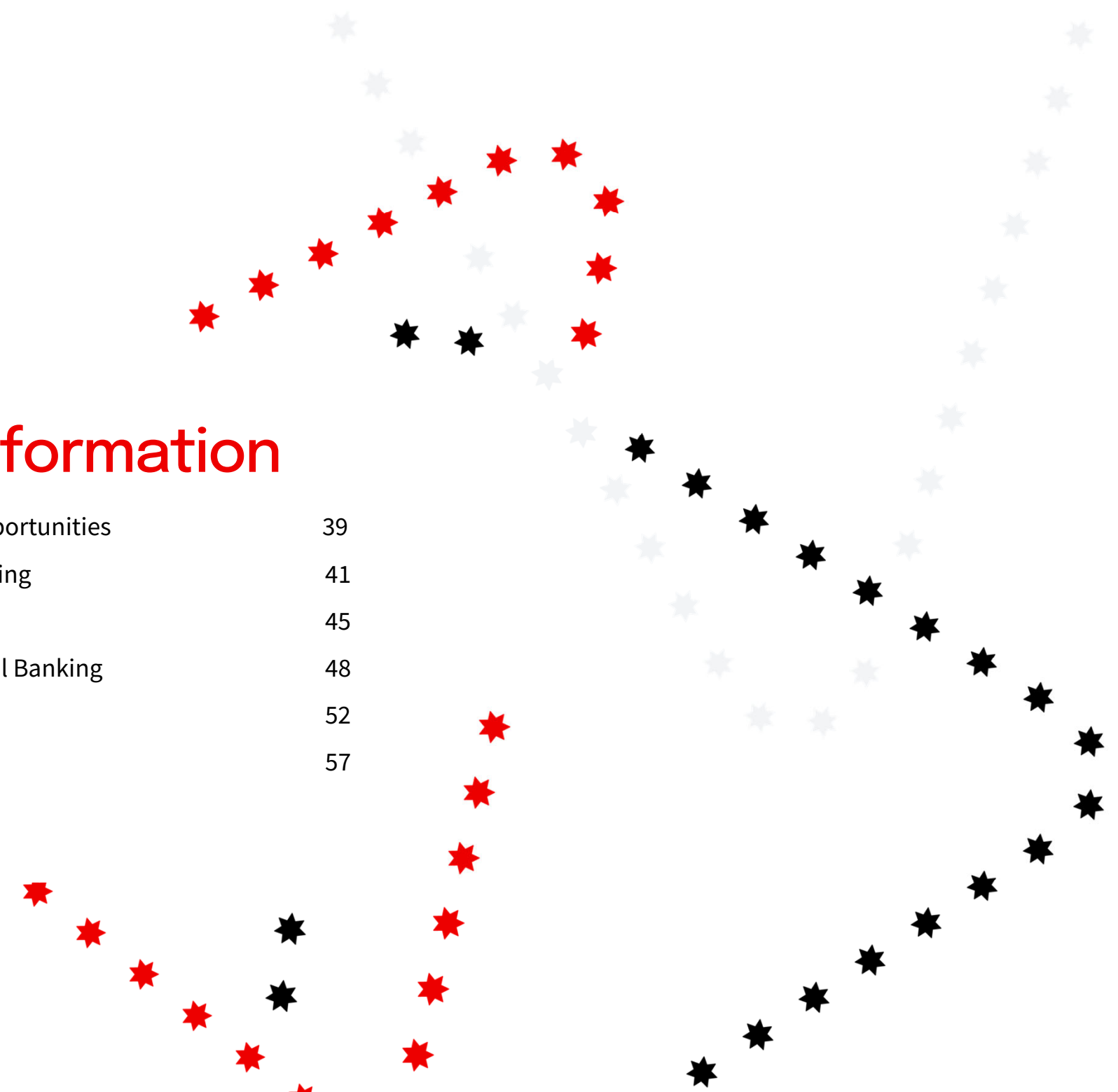
# Group cash earnings reconciliation to statutory net profit

- NAB uses cash earnings (rather than statutory net profit attributable to owners of NAB) 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 NAB. These non-cash earning items, and a reconciliation to statutory net profit attributable to owners of NAB, are presented in the table below
- The definition of cash earnings is set out on page 10 of the 2023 Half Year Results, and a discussion of non-cash earnings items and a full reconciliation of the cash earnings to statutory net profit attributable to owners of NAB is set out on pages 96-98 of the same document. The Group's financial statements, prepared in accordance with the Corporations Act 2001 (Cth) and Australian Accounting Standards, and reviewed by the auditors in accordance with Australian Auditing Standards, are set out in the 2023 Half Year Results

	1H23 (\$m)	1H23 v 2H22	1H23 v 1H22
<b>Cash earnings</b>	<b>4,070</b>	<b>12.3%</b>	<b>17.0%</b>
Non-cash earnings items (after tax):			
Hedging and fair value volatility	(5)	(95.6%)	Large
Amortisation of acquired intangible assets	(15)	36.4%	Large
Acquisition, disposals and business closures	(68)	Large	(20.9%)
<b>Net profit from continuing operations</b>	<b>3,982</b>	<b>14.1%</b>	<b>11.5%</b>
Net loss attributable to owners of NAB from discontinued operations	(15)	(89.9%)	(25.0%)
<b>Statutory net profit attributable to owners of NAB</b>	<b>3,967</b>	<b>18.8%</b>	<b>11.7%</b>

# Additional information

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- New Zealand Banking 52
- NAB Ventures 57



# We have clear growth opportunities









Business and Private Banking	Personal Banking	Corporate and Institutional Banking	BNZ	ubank
<p><b>Clear market leadership</b></p> <ul style="list-style-type: none"> <li>• Industry-leading relationship bankers, enabled by data and analytics</li> <li>• Strengthen sector specialisation</li> <li>• Transform business lending experience</li> <li>• Leverage High Net Worth proposition</li> <li>• Partner to deliver differentiated transactional banking and payment experiences</li> </ul>	<p><b>Simple &amp; digital</b></p> <ul style="list-style-type: none"> <li>• Investing in professional and flexible bankers making it easier and quicker to serve customers</li> <li>• Deliver a simple and digital everyday banking experience, including unsecured lending</li> <li>• Ambition to build Australia's simplest home loan</li> </ul>	<p><b>Disciplined growth</b></p> <ul style="list-style-type: none"> <li>• Highly professional relationship managers and specialists</li> <li>• Targeted growth in higher returning strategic segments</li> <li>• Enhancing capability in transactional banking, asset distribution and sustainability</li> <li>• Digitisation and automation supporting key customer and colleague interactions</li> </ul>	<p><b>Grow in personal &amp; SME</b></p> <ul style="list-style-type: none"> <li>• Step change in digital banking capability</li> <li>• Simpler, more focused bank</li> <li>• Re-weight to less capital intense segments</li> </ul>	<p><b>New customer acquisition</b></p> <ul style="list-style-type: none"> <li>• New propositions driving customer acquisition</li> <li>• Market leading digital experience</li> <li>• Ambition to expand share in younger segments</li> </ul>

# Underpinned by strong tech foundations and strategy

## Focused on better outcomes for our customers and colleagues

### Our Tech Strategy pillars

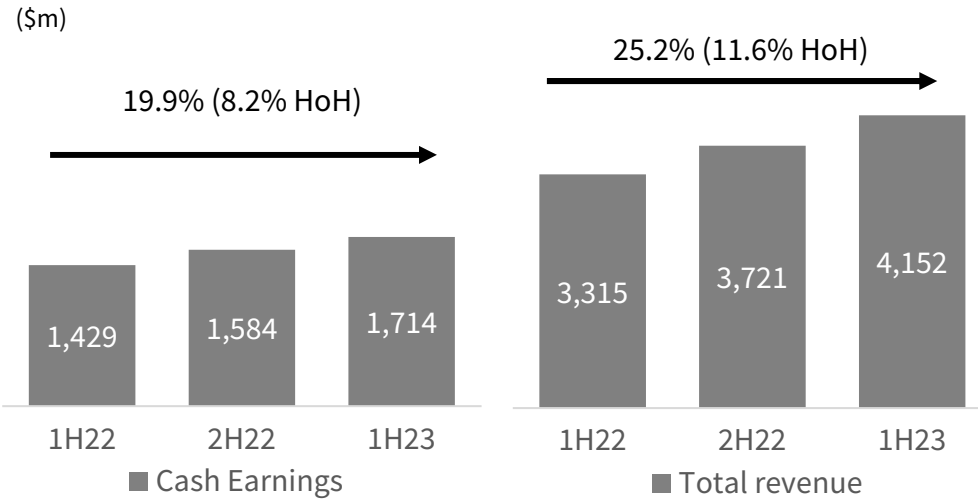
### 1H23 outcomes

 <p><b>Digital First</b></p>	<ul style="list-style-type: none"> <li>• New credit and debit cards added to a digital wallet within minutes of approval via mobile app</li> <li>• Improved home loan management tools and introduced in-app notifications of repayment changes</li> </ul>
 <p><b>Simplify and Automate</b></p>	<ul style="list-style-type: none"> <li>• ~40% of banker B&amp;PB home loan applications now submitted via Simple Home Loans</li> <li>• Business payments processed 55% faster on our re-platformed NAB Connect</li> </ul>
 <p><b>Data like Electricity</b></p>	<ul style="list-style-type: none"> <li>• Using data to identify financially vulnerable customers early to connect them to our hardship support</li> <li>• Using data to understand how customers use channels in order to drive continuous improvement and ensure digital capabilities meet customers' needs</li> </ul>
 <p><b>Secure by Design</b></p>	<ul style="list-style-type: none"> <li>• Continued rollout of our cyber awareness training to ~4,000 customers and colleagues</li> <li>• Further developed intelligence sharing and partnerships with the Australian Cyber Security Centre</li> </ul>
 <p><b>Platform Mindset</b></p>	<ul style="list-style-type: none"> <li>• Greater reliability and speed of delivery achieved via 73% of applications now running on the cloud</li> <li>• A new single enterprise cloud-based contact centre platform that has improved the customer and colleague experience</li> </ul>
 <p><b>Expert Engineering</b></p>	<ul style="list-style-type: none"> <li>• Continued deployment of standardised engineering tools to improve the velocity of new customer features</li> <li>• Mandatory coding testing for all new tech engineer hires to improve capability and expertise</li> </ul>
 <p><b>Delivery Excellence</b></p>	<ul style="list-style-type: none"> <li>• Delivered more into the hands of our customers and colleagues through improved execution enabling 8% more technology features delivered</li> </ul>
 <p><b>Best Tech Colleagues</b></p>	<ul style="list-style-type: none"> <li>• Expanded our global workforce with 1,800 colleagues located in NAB Innovation Centres in India and Vietnam</li> <li>• Expanded talent programs including SheBuilds with an initial 500 women to be trained and developed in AWS cloud certification</li> </ul>

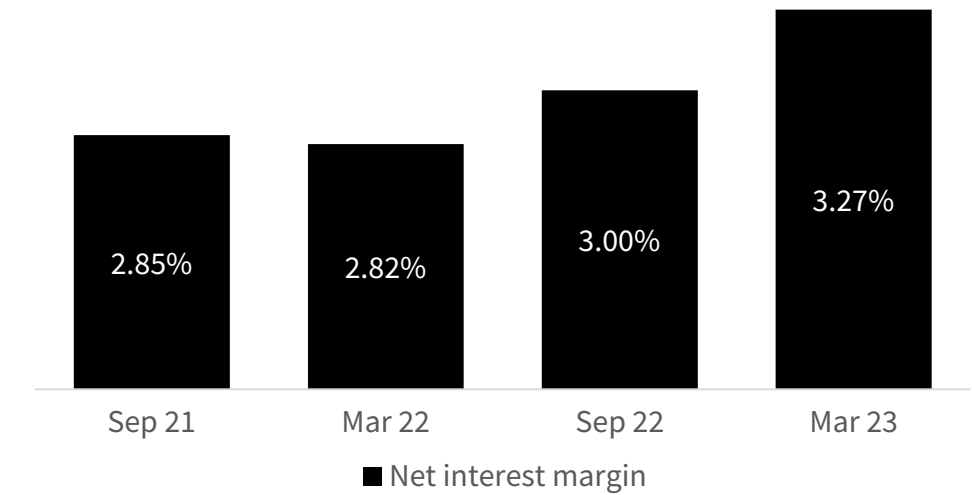


# Business and Private Banking

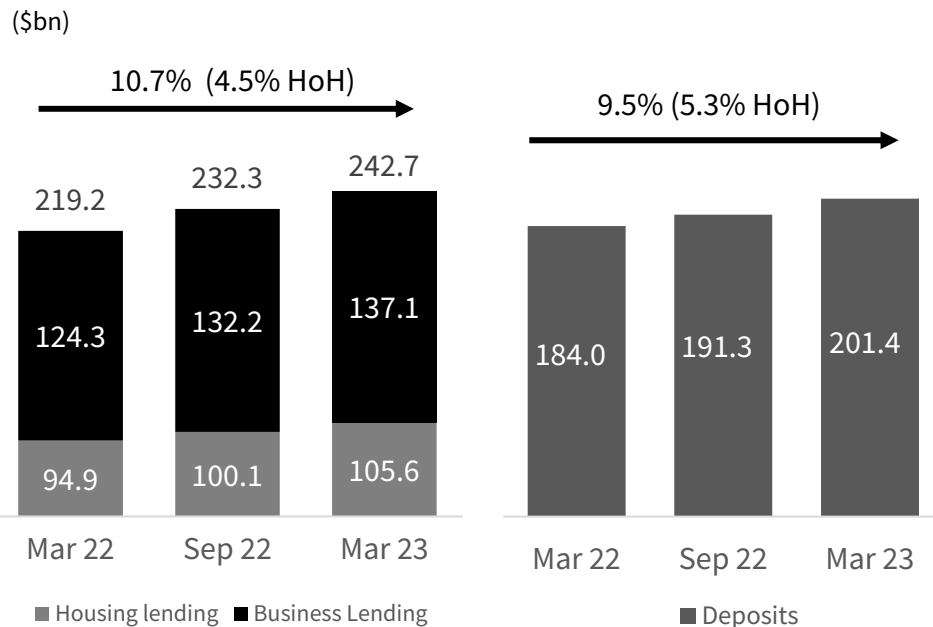
## Cash earnings and revenue



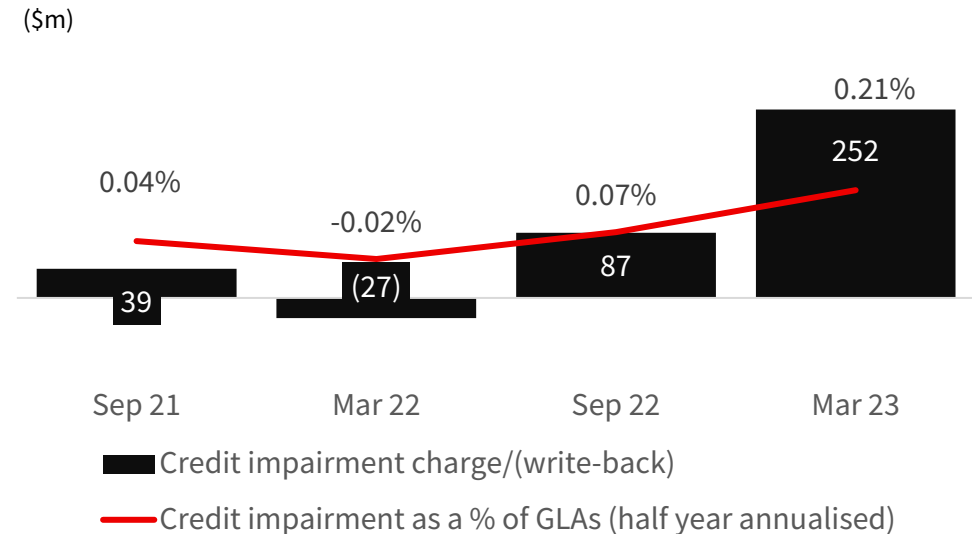
## Net interest margin



## Business and housing lending GLAs and deposits

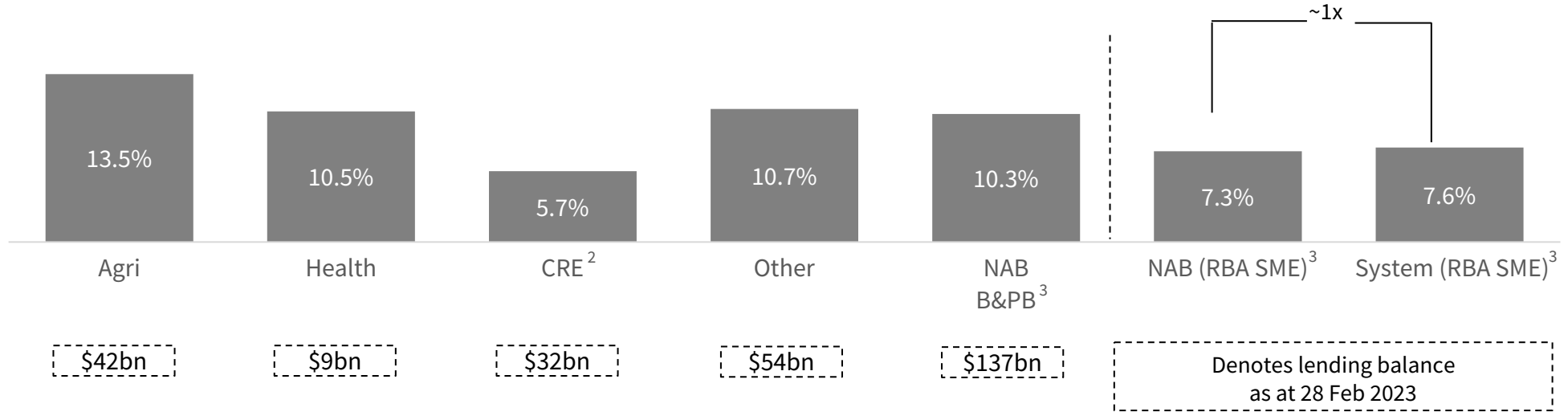


## Credit impairment charges and as a % of GLAs



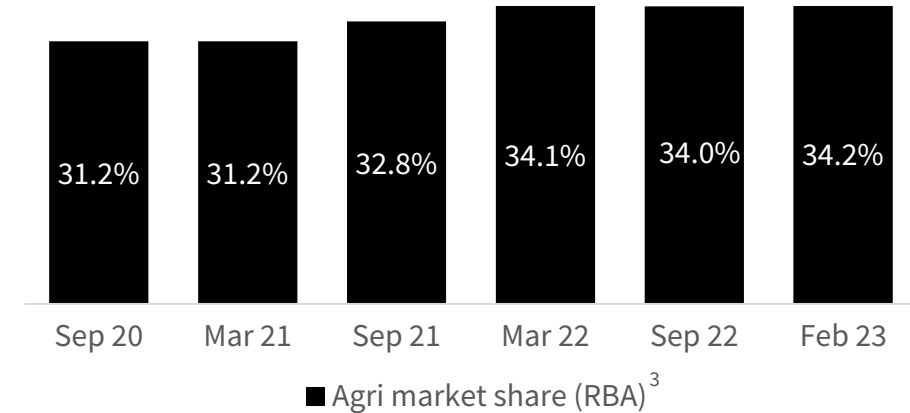
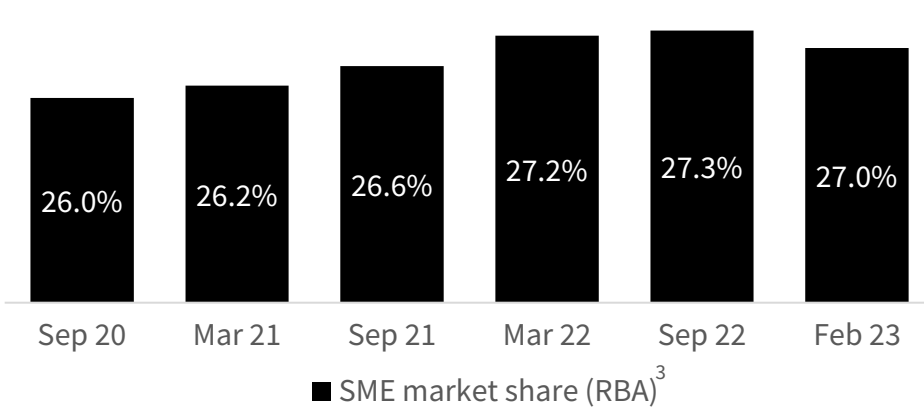
# Business lending growth and market share

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



## SME lending market share

## Agri business lending market share



(1) Growth rates are on a customer segment basis and not industry  
 (2) CRE primarily represents commercial real estate investment lending across a range of asset classes including Retail, Office, Industrial, Tourism and Leisure, and Residential  
 (3) Derived from RBA statistics. A business is classified as SME under the RBA if the business has turnover less than \$50m. A business is classified as B&PB if NAB has exposure to the business less than \$50m and the business has turnover less than \$100m. Latest market share at February 2023

# Making payments easier for SMEs

## NAB Flex-Flow Loan for merchants launched

- Fast and flexible cashflow loans for existing merchant customers who settle into a NAB transaction account<sup>1</sup>
- Customers can borrow \$2k-\$125k, with no interest and a single upfront fee capitalised into loan balance
- Online application via NAB internet banking, decisioning in as little as 20 minutes, funds available within 1 business day
- Customers can choose their daily repayments level of between 10-30% of daily merchant sales
- Repayments automatically deducted from NAB settlement account and applied to loan daily enabling repayments to flex in line with customers cashflow and reducing potential for arrears

## The new NAB Flex-Flow Loan for merchants

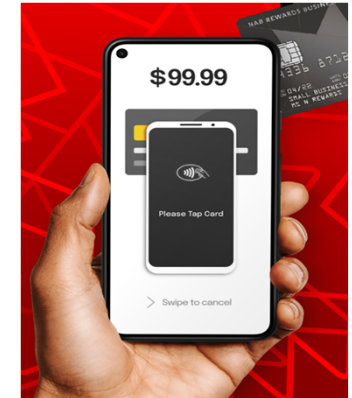
Repayments that flex with your cash flow

Visit [nab.com.au/nabflexflowloan](https://nab.com.au/nabflexflowloan)



## NAB Easy Tap

- Turns a merchant's Android phone into an EFTPOS reader to accept contactless card payments
- Launched October 2022, >1,400 customers currently
- Digital application and approval in minutes; onboarded to accept payments in 2 business days<sup>2</sup>
- No additional hardware or terminal fees



## Uplifting healthcare payments

- Rollout of >16,000 nextgen HICAPS terminals currently – improved security and reliability; better usability including larger screen and vision impaired features
- Enhanced and easy HICAPS integration with practice management systems (PMS), providing expanded access in 1H23 to:
  - pharmacies and GPs, allowing them to quickly process claims and submit digital payment requests, reducing their time to cash from ~2-6 weeks to 24 hours
  - NDIS providers and plan managers

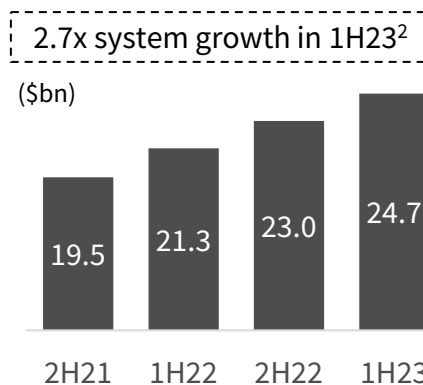
(1) Customers must have a NAB Merchant facility, settlement account & have trading history for a minimum of 12 months. Additional credit eligibility may apply

(2) Digital onboarding available to customers that meet the following criteria: new to bank, single director/ 'simple customer' & turnover up to \$250k. Assisted onboarding available to all other customers

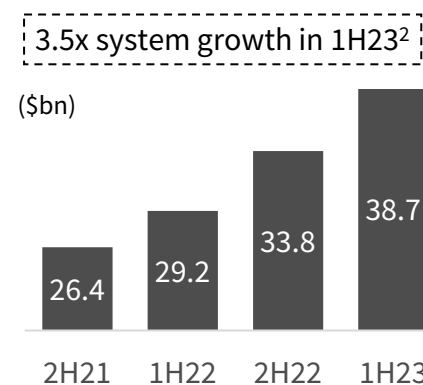
# Integrated Private Wealth offering

- An **integrated offer** bringing together banking, investments and advice for high net worth (HNW) customers
- **Above system growth** in home lending and deposits, supported by strong lift in business referred across Business & Private Banking since 1H22
- **Continued recognition of service and solutions** with six new awards won since Mar 21 and peer leading #1 HNW NPS (-1)<sup>1</sup>
- Continued enhancements to **nabtrade** app:
  - mobile onboarding supporting 19% lift in clients onboarded over 3 months to Mar 23
  - #1 rated trading app in Apple and Google Play stores

## Growth in home lending balances



## Growth in deposit balances



Best Private Bank Australia 2022



Best Private Bank Australia 2022 & 2023

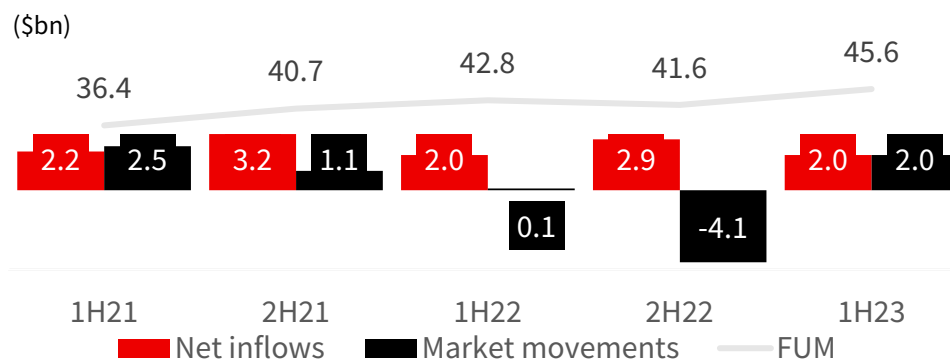


Best Domestic Private Bank Australia 2021 & 2022



Best in Australia 2023  
 • Domestic Private Bank  
 • For Ultra High Net Worth Individuals  
 • For Investment Research

## JBWere net inflows and FUM



(1) DBM Consumer Atlas (part of RFI Global), measured on 6 month rolling average to Mar 23. Includes consumers with investible assets of \$2.5m+. Ranking based on absolute scores, not statistically significant differences and compared against major peers

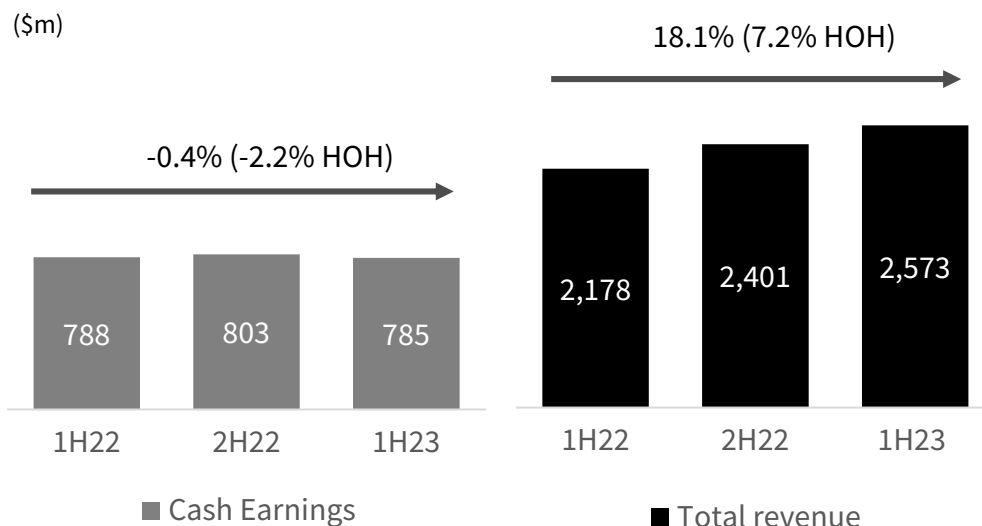
(2) System represents APRA Monthly authorised deposit-taking institution statistics March 2023. Deposit System growth excludes Citi Consumer Business as not included in prior period balances

(3) Best Private Bank in Australia at the Global Private Banking Awards 2022

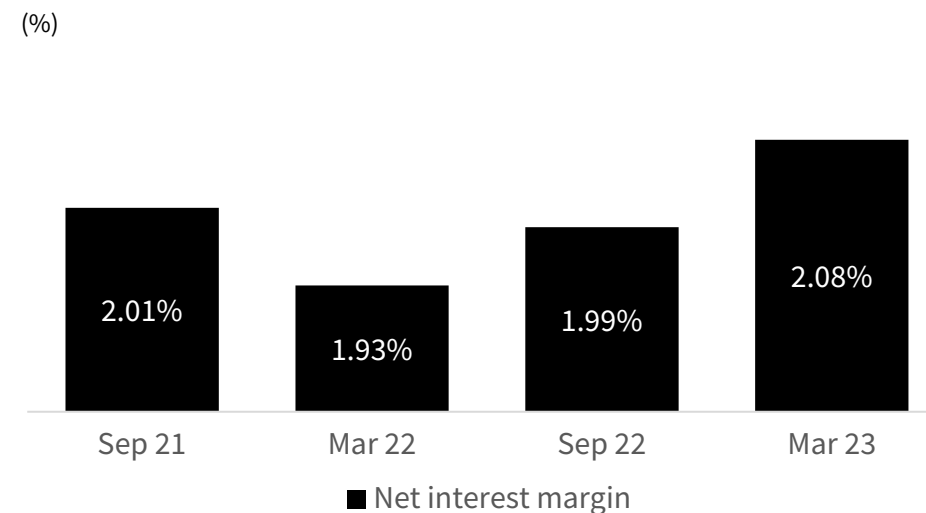
(4) Winner Euromoney's Private Banking and Wealth Management Survey in 2022 for - 'Best Private Bank - Australia' - Investment Management and Next Generation. In addition, winner of Best in Australia 2023 for Domestic Private Bank for UHNW Individuals and Investment Research

# Personal Banking

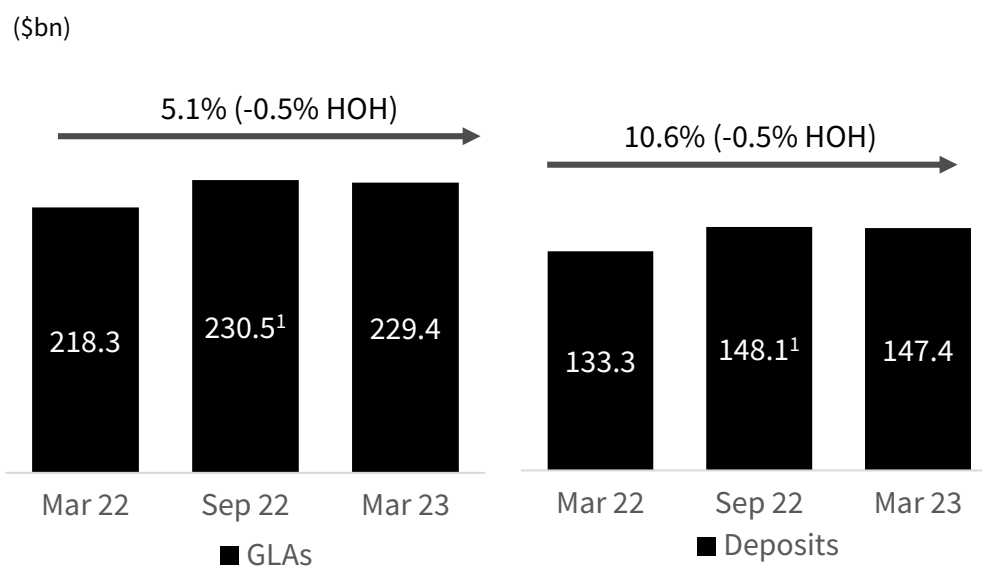
## Cash earnings and revenue



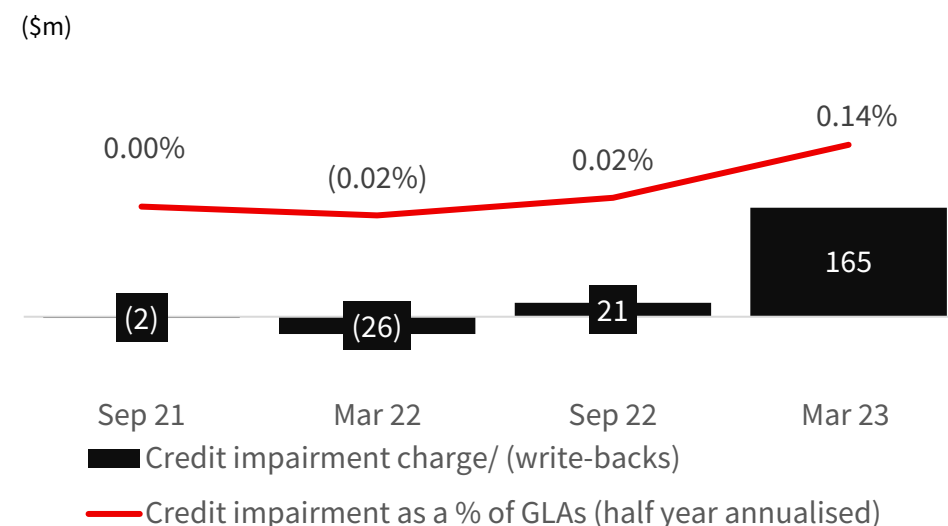
## Net interest margin



## Housing lending GLAs and deposits



## Credit impairment charges and as a % of GLAs

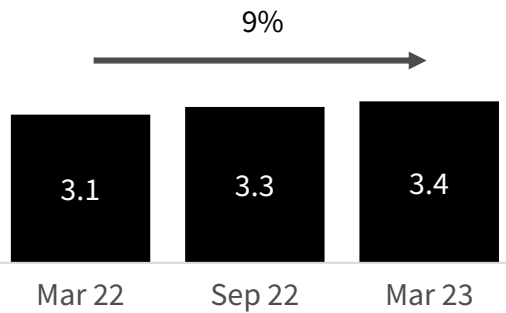


(1) Includes Citi Consumer Business balances acquired at completion on 1 June 2022, \$9bn GLAs and \$9.5bn deposits

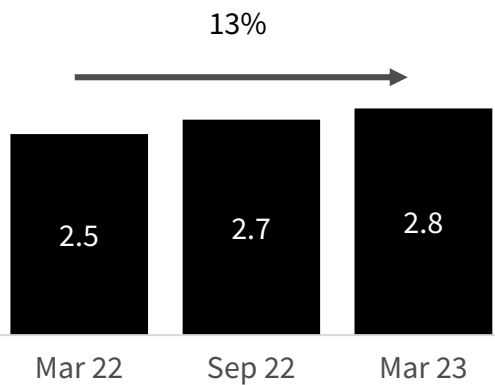
# Building a simple and digital Personal Bank

## Increasing # digitally active customers, largely using mobile

Digitally active NAB banking customers<sup>1</sup> (m)

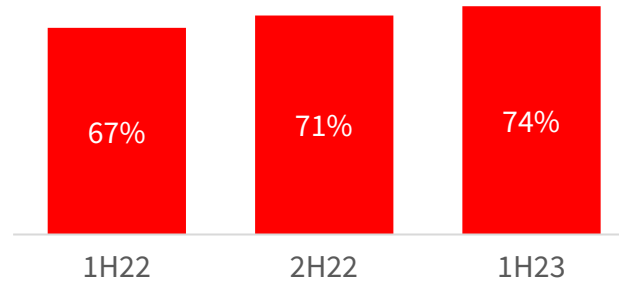


Mobile active NAB banking customers<sup>1</sup> (m)

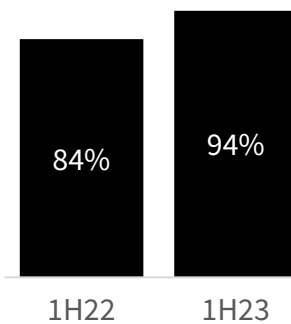


## Ongoing increase in digital sales

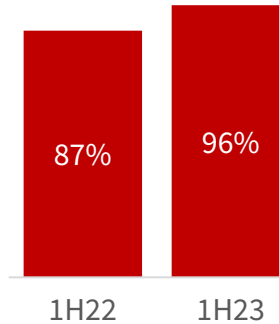
Simple everyday banking products opened digitally<sup>2,3</sup>



Credit Cards opened digitally<sup>3</sup>



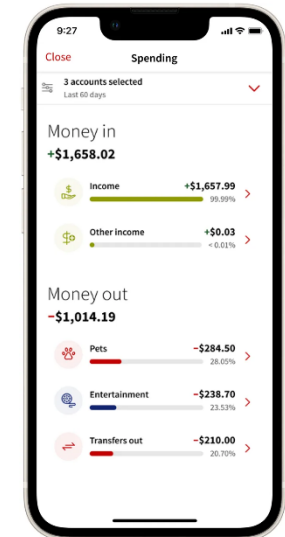
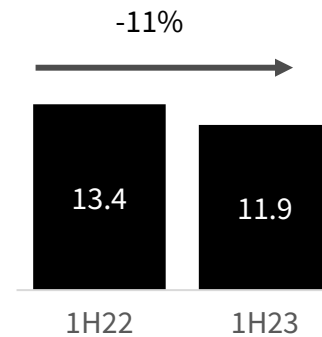
Personal Loans opened digitally<sup>3</sup>



## Ongoing enhancements to digital and self-service functionality

- Improved home loan management tools and introduced in-app notifications of repayment changes
- New credit and debit cards added to a digital wallet within minutes of approval via mobile app
- ~1m conversations now via 'NAB Messaging'
- New budgeting tool 'Spending'

Over-the-counter transactions<sup>3</sup> (m)



(1) Excludes ubank and Citi Consumer Business customers. Includes NAB customers logging into NAB digital channels in the month  
 (2) Transaction and savings account, credit cards and personal loans  
 (3) Full year basis

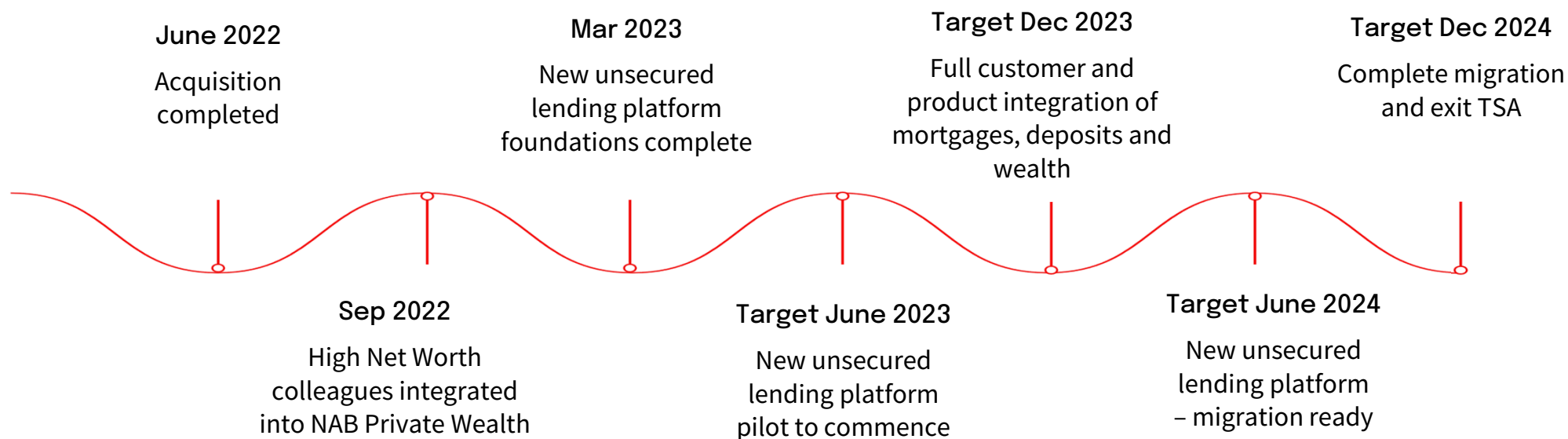
# Update on Citi Consumer Business acquisition

## Ambition to deliver market leading capability in unsecured lending

### 1H23 Update

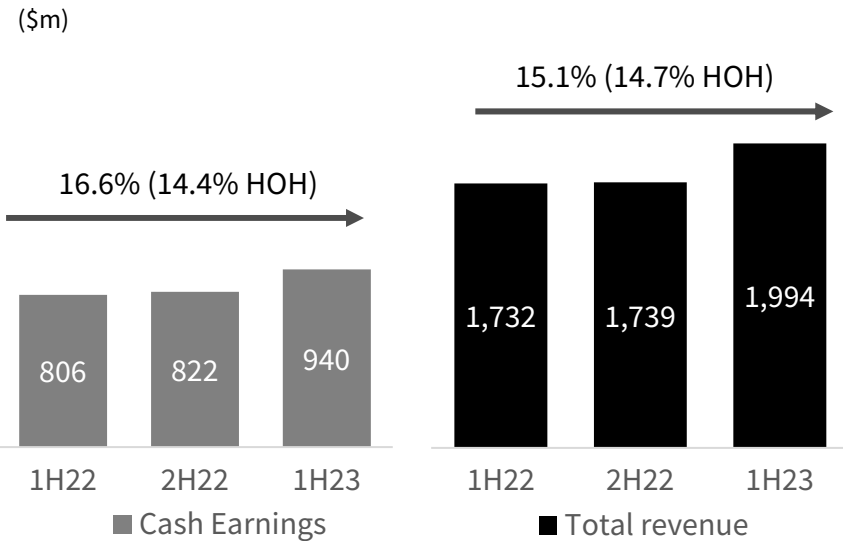
- Combined NAB and Citi Consumer Business capabilities delivering account growth across both businesses
- Acquisition providing access to strong white label partners
- Stopped writing new mortgage business under Citi brand – continue to focus on customer retention
- Integration of High Net Worth colleagues into NAB Private Wealth complete
- New end-to-end unsecured lending platform foundations built
- Citi costs on track to run-rate at less than \$300m p.a. post expiry of Transactional Service Agreements (TSAs) in Dec 24

### Integration timeline

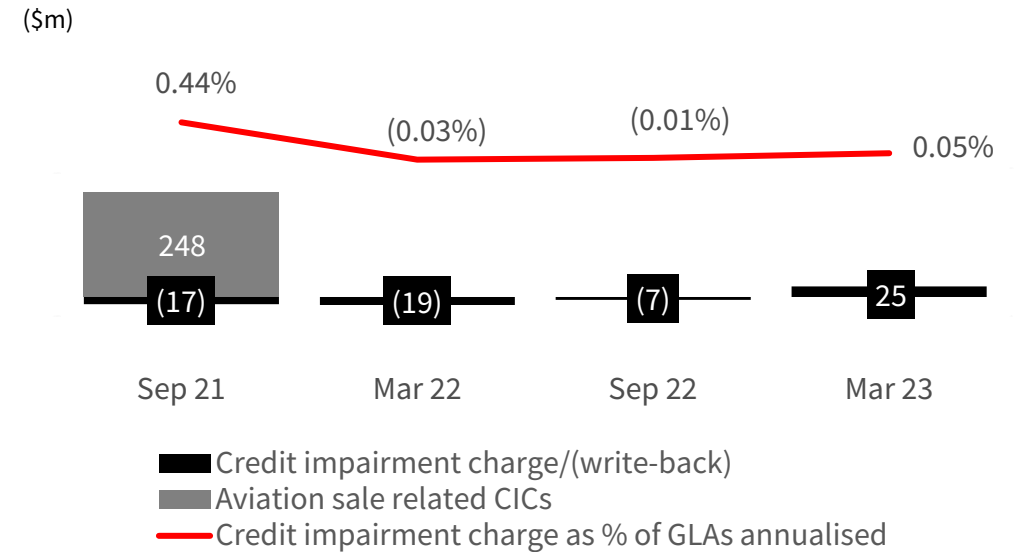


# Corporate and Institutional Banking

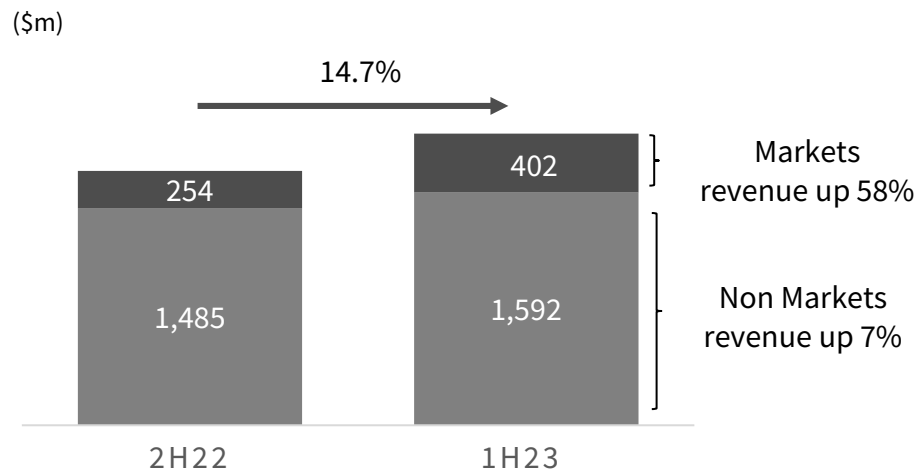
## Cash earnings and revenue



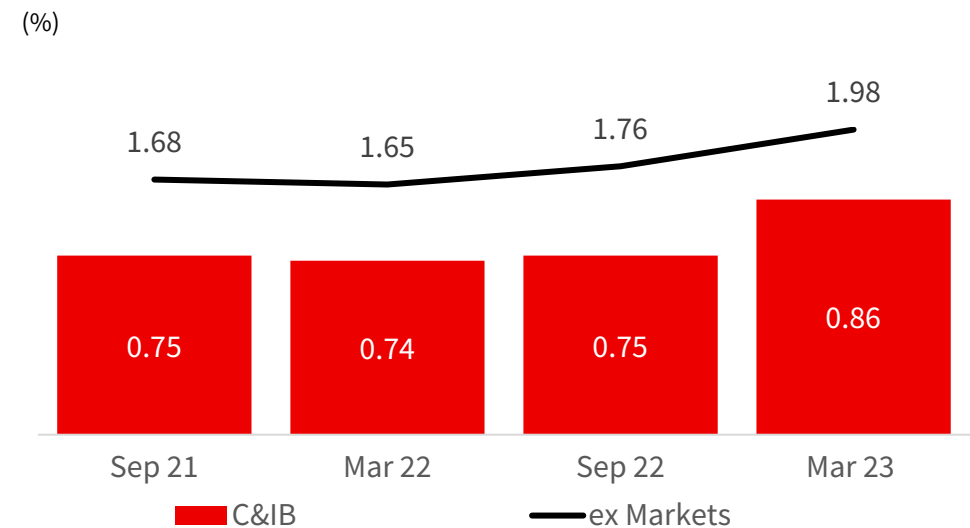
## Credit impairment charges and as a % of GLAs



## Revenue breakdown<sup>1</sup>



## Net interest margin

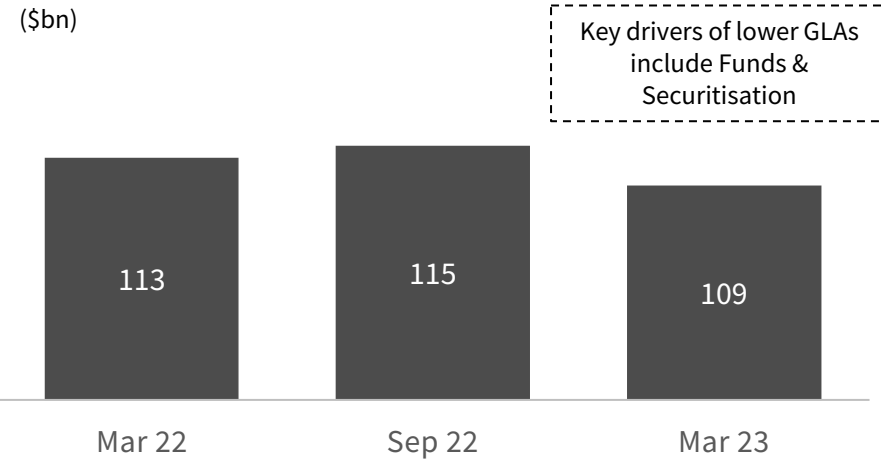


(1) Markets revenue represents Customer Risk Management revenue and NAB Risk Management Revenue. Includes derivative valuation adjustments

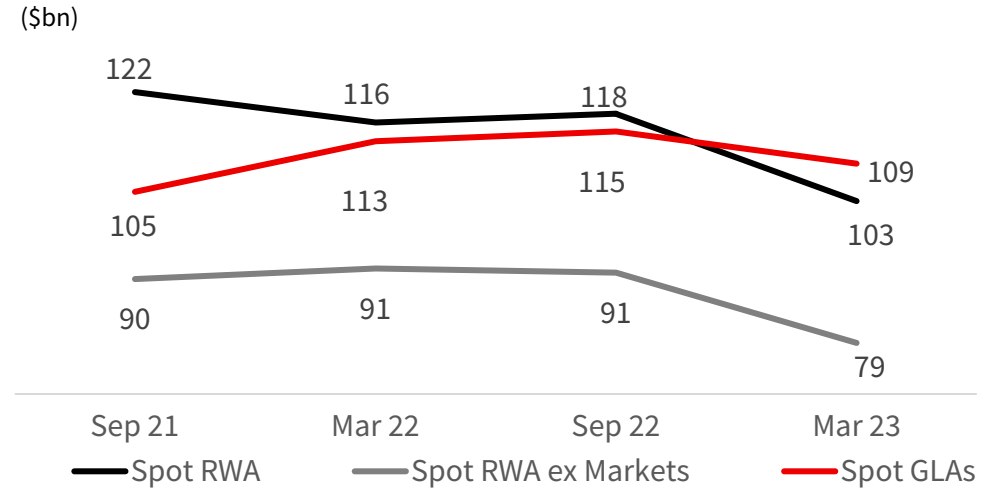


# Disciplined growth in Corporate and Institutional Banking

## Managing GLA outcomes

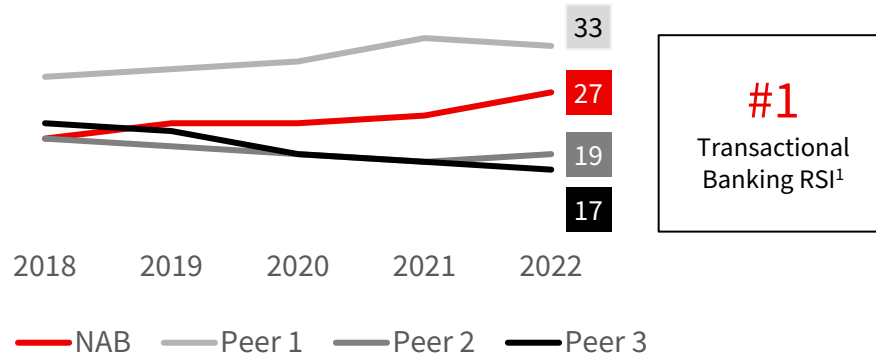


## Disciplined capital usage<sup>2</sup>

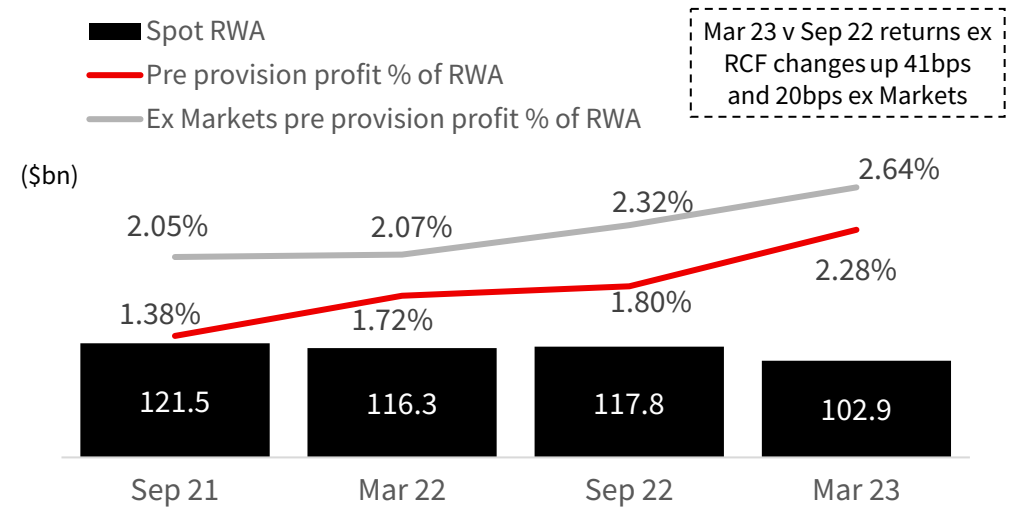


## Leveraging payments & transactions capability

Transactional banking lead bank market penetration<sup>1</sup>



## Returns focus<sup>2,3</sup>



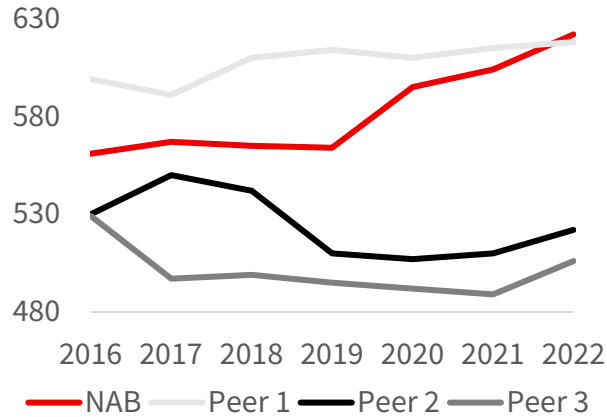
(1) Source: Peter Lee Associates, Australia. Large Corporate Transactional Banking Survey 2022. Based on top four banks by domestic market penetration. Relationship Strength Index (RSI) is based on a combined measure of most qualitative evaluations

(2) NAB's early adoption of APRA's Standardised Measurement Approach to Operational risk and change in divisional allocation of Group Operational risk RWA resulted in a reduction in Operational Risk RWA September 2021 to March 2022 of \$6.4bn for total RWA and \$2.3bn for RWA ex Markets. NAB's implementation of the revised capital framework (RCF) from 1 January 2023 has resulted in a reduction of \$10.1bn in spot RWAs and \$9.3bn in ex Markets RWAs September 2022 to March 2023

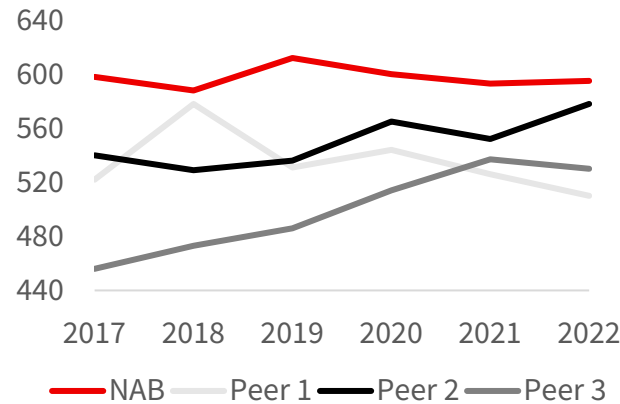
(3) Ex Markets pre provision profit % of average RWA excludes Markets pre provision profit and average RWA

# Corporate and Institutional Banking customer metrics

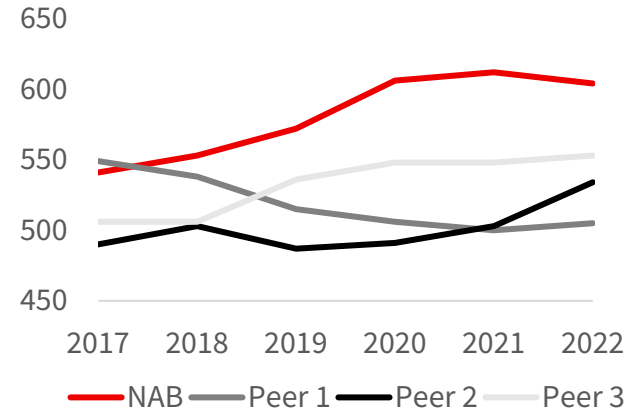
Large Corporate and Institutional - Relationship Strength Index<sup>1</sup>



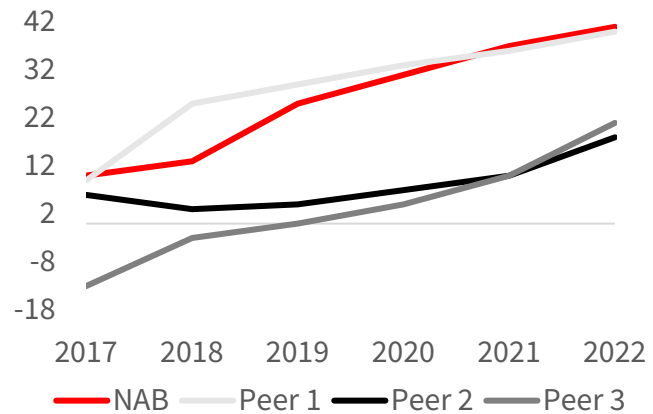
Interest Rate Hedging - Relationship Strength Index<sup>2</sup>



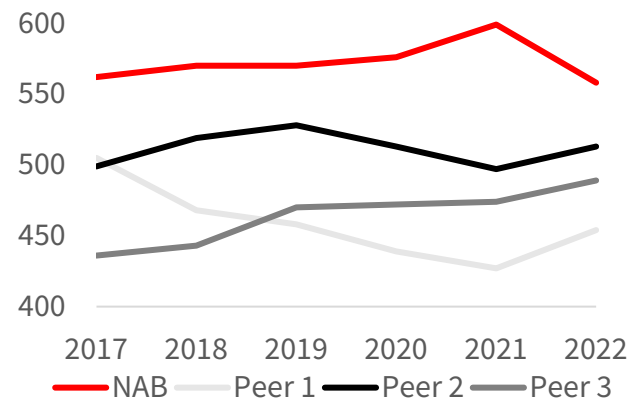
Foreign Exchange - Relationship Strength Index<sup>3</sup>



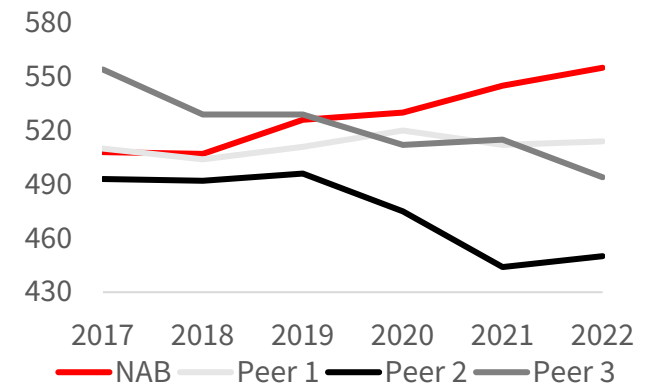
Large Corporate and Institutional NPS<sup>6</sup>



Debt Markets Origination - Relationship Strength Index<sup>4</sup>



Transactional Banking - Relationship Strength Index<sup>5</sup>



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

- (1) Large Corporate and Institutional Relationship Banking Survey 2022 - Ranking against all banks
- (2) Interest Rate Derivatives Survey 2022
- (3) Foreign Exchange Survey 2022
- (4) Debt Securities Origination Survey 2022
- (5) Transaction Banking Survey 2022
- (6) Large Corporate and Institutional Relationship Banking Survey 2022- Ranking against the four major domestic banks

## Business highlights

- Focus on integration and growth in 2023
- 75% of original UBank customers upgraded to new platform<sup>1</sup>
- \$2.6bn deposit growth during 1H23 and total deposits of \$17bn – 4.8x system growth<sup>2</sup>
- \$11.4bn home loans portfolio

## Digital features



**Fast customer sign-up**



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



**Simple online home loan application process**

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

**Acquiring new customers in younger segments**

- 95k net new customers acquired during 1H23 on new platform - 66% increase on prior half
- ~55% of new customers are < 35 years of age

**Highly rated customer experience**

- Overall NPS<sup>3</sup> of +27 – 3rd position among peer set<sup>4</sup>, up from 5th position in March 2022
- NPS<sup>3</sup> in <35 years of age group of +50 - 2nd position among peer set<sup>4</sup>
- 4.7 (out of 5) Apple Store and 4.3 (out of 5) Google Play ratings<sup>5</sup>

(1) Refers to original UBank customers who are eligible to be upgraded to the new platform

(2) Period October 2022 – March 2023 based on APRA Monthly Authorised Deposit-taking Institution statistics

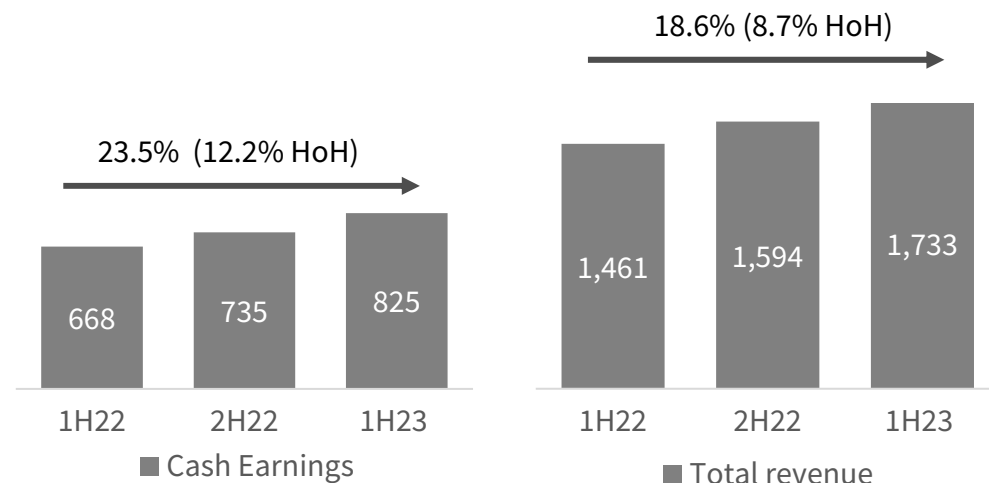
(3) DBM Consumer Atlas (part of RFI Global), measured on 6 month rolling average to March 2023. Includes consumers 18+. Ranking based on absolute scores, not statistically significant differences

(4) Including UP, ING, ME, Macquarie and Bendigo Bank

(5) As at 30 March 2023

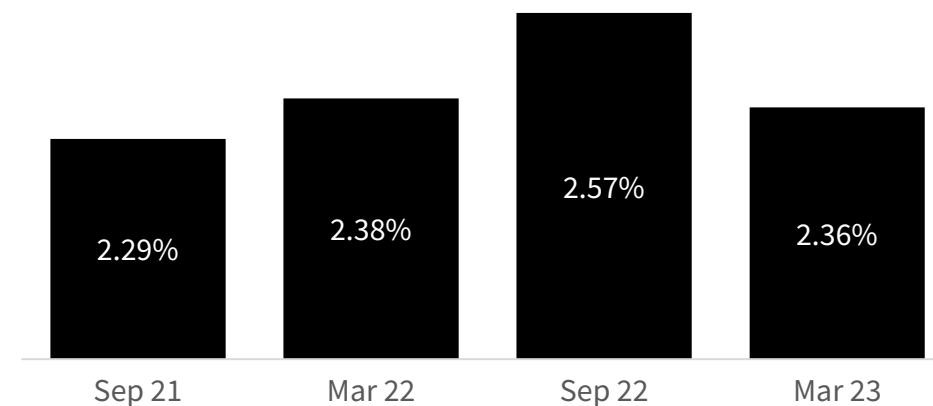
## Cash earnings and revenue

(NZ\$m)



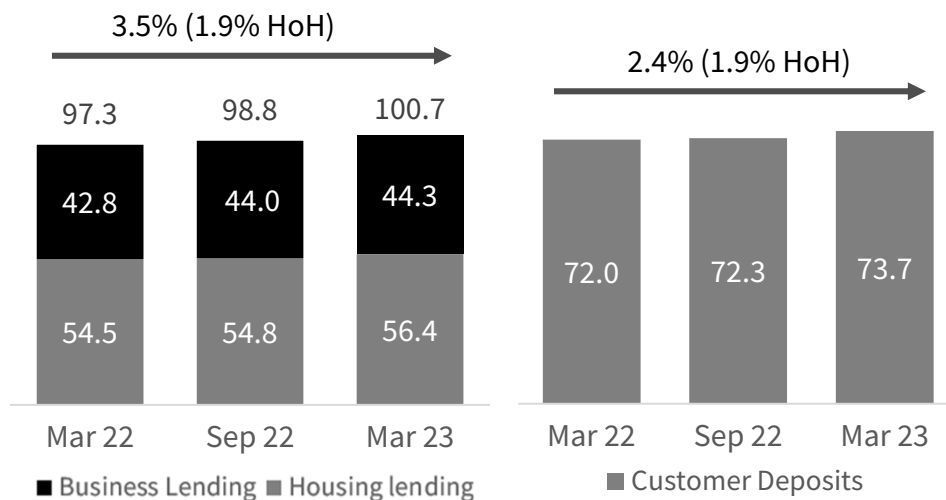
## Net interest margin

(%)



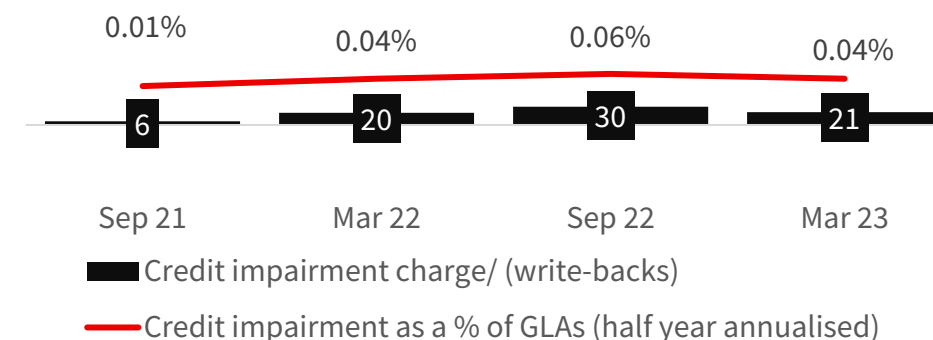
## Business and housing lending GLAs

(NZ\$b)



## Credit impairment charges and as a % of GLAs

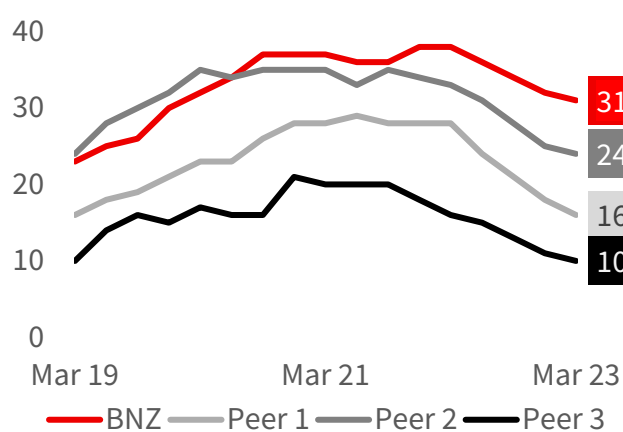
(NZ\$m)



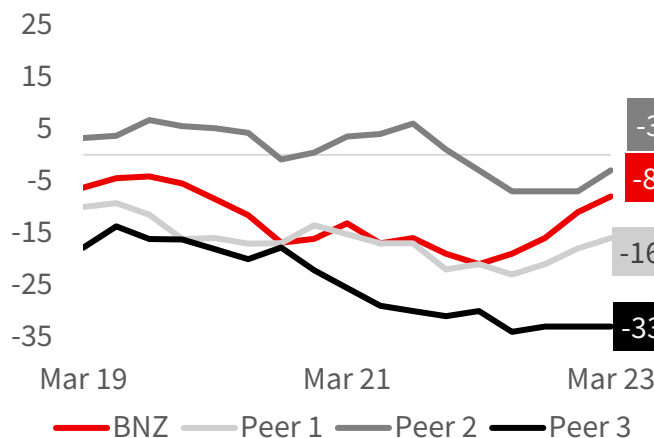
(1) New Zealand Banking results include the financial performance of the New Zealand liquidity management portfolio, effective 1 October 2022

# New Zealand Banking customer metrics

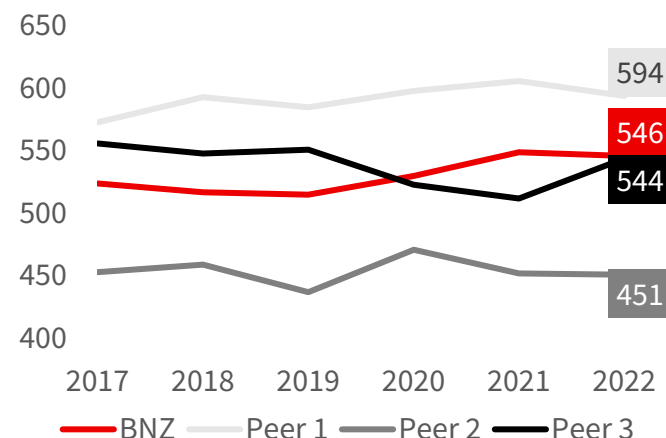
### BNZ Consumer NPS<sup>1,3,4,5</sup>



### BNZ Business NPS<sup>2,3,6</sup>



### BNZ Large Corporate Relationship Strength Index (RSI)<sup>7</sup>



#1 in Consumer NPS<sup>1</sup>

#2 SME NPS<sup>2</sup>

#2 Large Corporate RSI<sup>7</sup>

#1 in Home Owner NPS<sup>8</sup>

#1 Micro business<sup>2</sup>

#1 Large Corporate Relationship Manager capability<sup>7</sup>

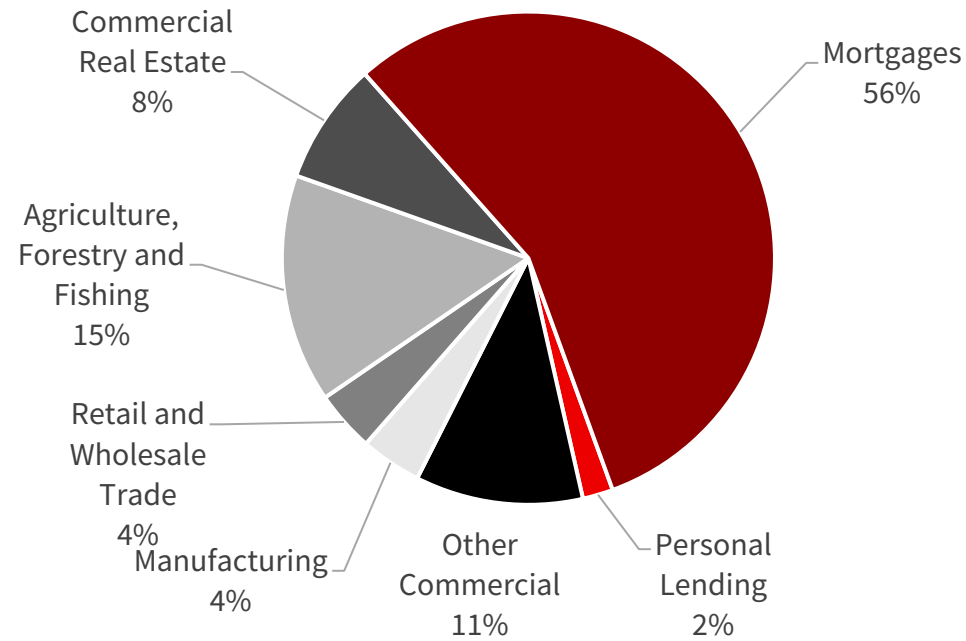
#1 in Starters and Savers NPS<sup>9</sup>

#1 in COVID-19 support<sup>7</sup>

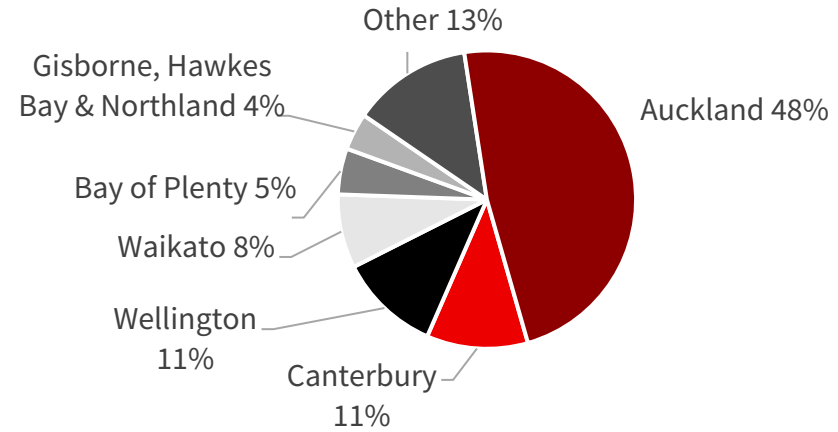
(1) Source: Camorra Retail Market Monitor (data on 12 month roll). The result reflects Australian-owned banks in New Zealand  
 (2) Source: Kantar Business Finance Monitor (data on 12 month roll). Total business market up to annual turnover of \$150m; includes Agribusiness with a turnover of \$100k+. SME proxy is stated turnover to \$20m. Micro proxy is stated turnover under \$250k. NPS for nominated main bank provider. The result reflects Australian-owned banks in New Zealand  
 (3) Net Promoter® and NPS® are registered trademarks and Net Promoter Score and Net Promoter System are trademarks of Bain & Company, Satmetrix Systems and Fred Reichheld  
 (4) In 2019, a change in Retail Market Monitor methodology led to a re-set of NPS for the consumer market for all major banks. Use of a 12 month rolling average in BNZ reporting smoothed the transition but a methodology-driven increase in NPS for all banks is visible. The new methodology has been fully embedded since October 2019  
 (5) In September 2021 there was a further methodological improvement. Customer share (alongside population census results) is now included in the underlying data weighting approach. This change has been applied across the market (affects both BNZ and our peers). It has also been applied to the historical results from May 19 so comparisons over time remain valid, including for blended periods  
 (6) 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  
 (7) Source: Peter Lee Associates – Large Corporate Relationship Banking Survey New Zealand 2022. Ranking against the four major domestic banks  
 (8) Source: Camorra Retail Market Monitor (data on 12 month roll). Customers with one or more mortgage product  
 (9) Source: Camorra Retail Market Monitor (data on 12 month roll). Customers aged under 30 with total deposits less than \$10,000 plus customers aged under 40 with total deposits greater than \$10,000

# New Zealand lending mix

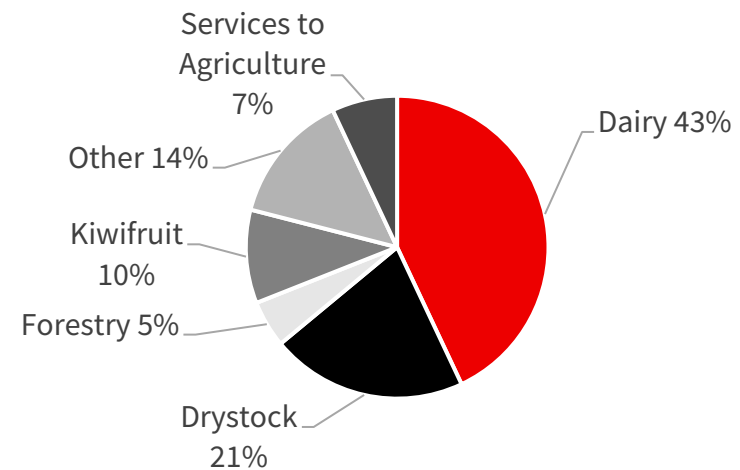
Portfolio breakdown - Total NZ\$101.6bn



Mortgage portfolio breakdown by geography - Total NZ\$56.4bn



Agribusiness portfolio breakdown by industry - Total NZ\$15.3bn



# New Zealand housing lending key metrics

New Zealand Housing Lending Portfolio	Sep 21	Mar 22	Sep 22	Mar 23		Mar 22	Sep 22	Mar 23
						Drawdowns <sup>1</sup>		
Total Balances (spot) NZ\$bn	52.7	54.5	54.8	56.4		7.4	5.4	5.7
By product								
- Variable rate	11.3%	10.6%	9.7%	8.9%		12.8%	13.9%	10.1%
- Fixed rate	87.3%	88.0%	88.8%	89.6%		86.1%	84.6%	88.4%
- Line of credit	1.4%	1.4%	1.5%	1.5%		1.1%	1.5%	1.5%
By borrower type								
- Owner Occupied	66.1%	66.4%	66.2%	66.2%		69.6%	68.0%	67.4%
- Investor	33.9%	33.6%	33.8%	33.8%		30.4%	32.0%	32.6%
By channel								
- Proprietary	71.6%	70.2%	69.3%	67.3%		65.4%	65.7%	56.2%
- Broker	28.4%	29.8%	30.7%	32.7%		34.6%	34.3%	43.8%
Low Documentation	0.0%	0.0%	0.0%	0.0%		0.0%	0.0%	0.0%
Interest only <sup>2</sup>	19.2%	18.4%	17.5%	17.5%		25.3%	23.2%	23.8%
LVR at origination	65.4%	64.3%	63.3%	63.0%				
90+ days past due	0.09%	0.09%	0.11%	0.16%				
Impaired loans <sup>3</sup>	0.00%	0.00%	0.01%	0.01%				
Specific Impairment coverage ratio	11.5%	20.9%	15.0%	22.6%				
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

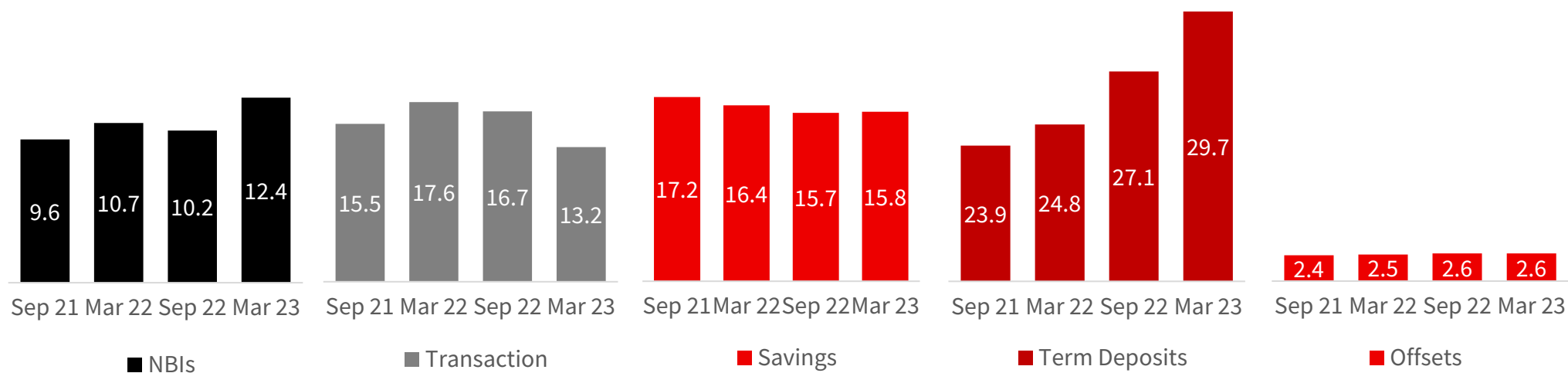
(3) Excludes customers affected by recent severe weather events whose loans have been classified as "Restructured Loans" under APS 220 Credit Risk Management

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

# NZ customer deposits by interest rate

## Customer deposits balances by product (NZD)

(\$bn)



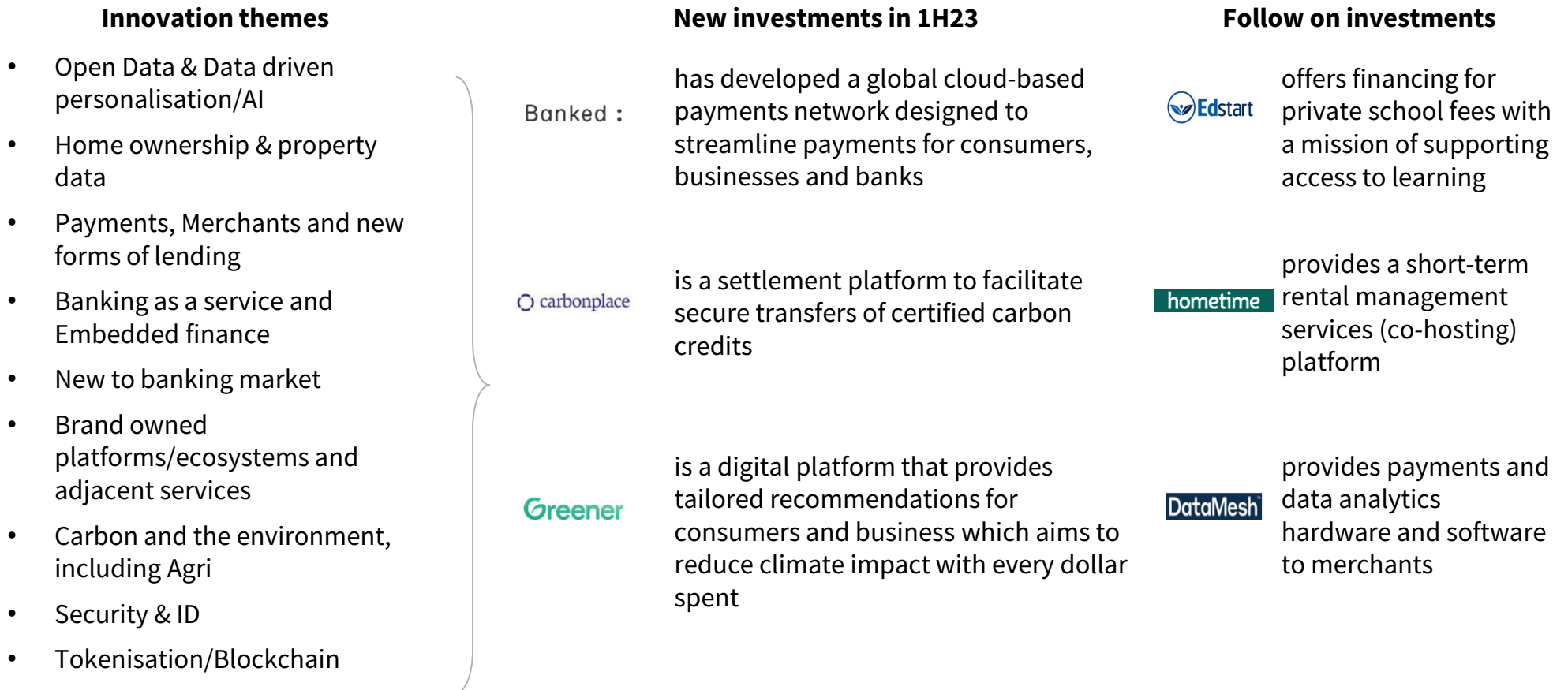
(1) Customer deposits exclude offset products, and set-off facilities



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

### The NAB Ventures team:

- Works alongside other parts of the bank that incubate and test innovative new customer propositions and leverage new developments in technology
- Manages over 20 investments spread across our innovation themes
- Made three new investments in 1H23 and three further follow on investment into portfolio companies



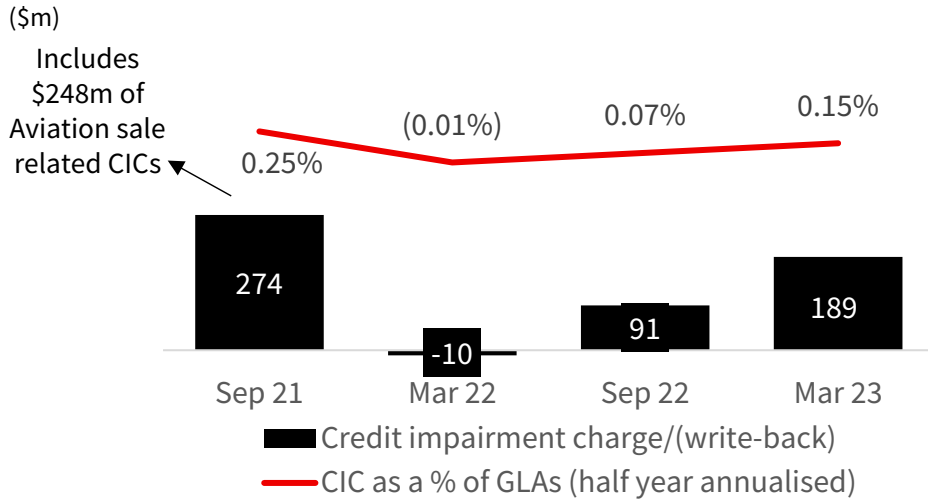
# Additional product information

Australian Business Lending

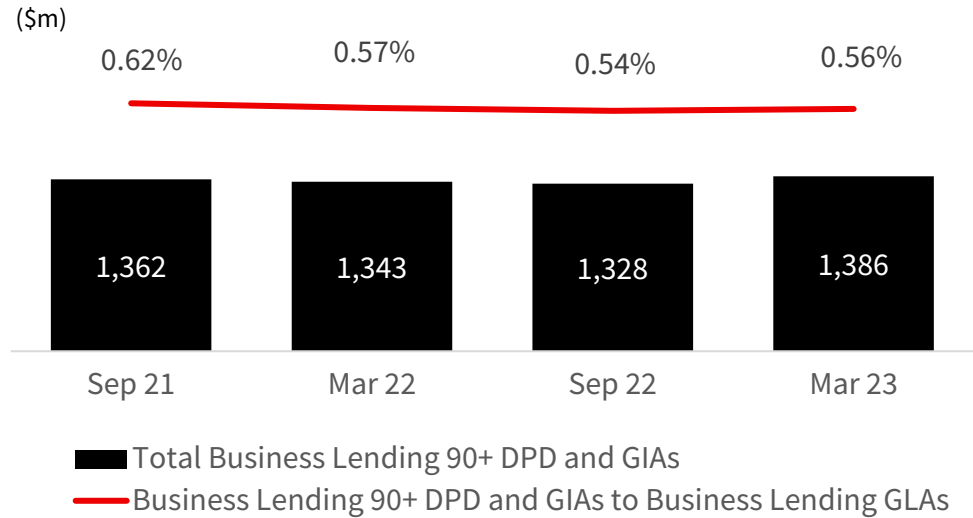


# Business lending asset quality

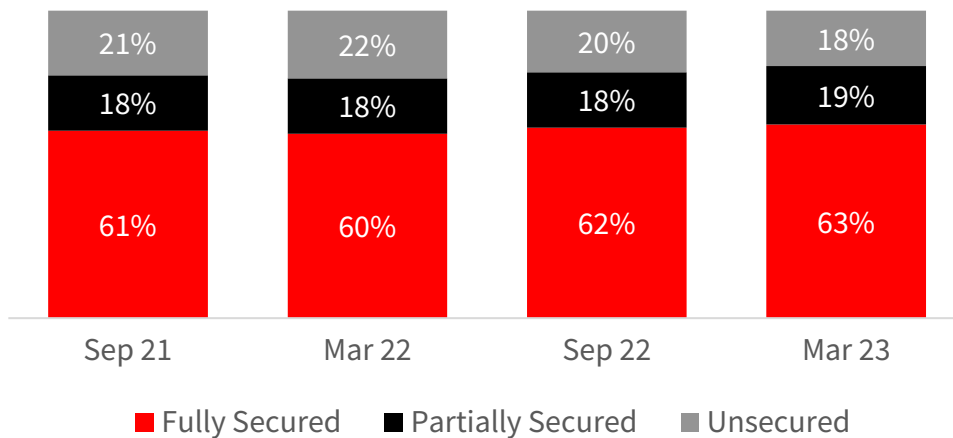
## Business lending credit impairment charge and as a % of GLAs



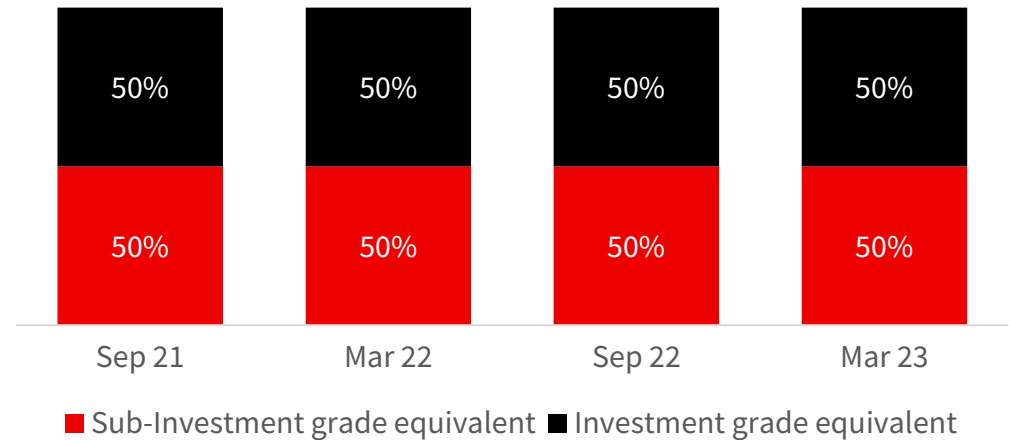
## Business lending 90+DPD and GIAs and as % of GLAs



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



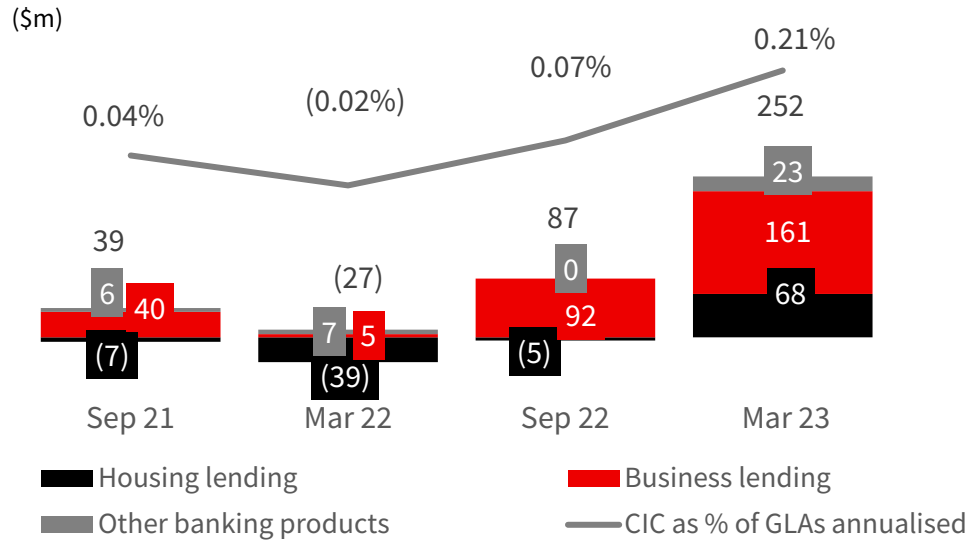
## Business lending portfolio quality



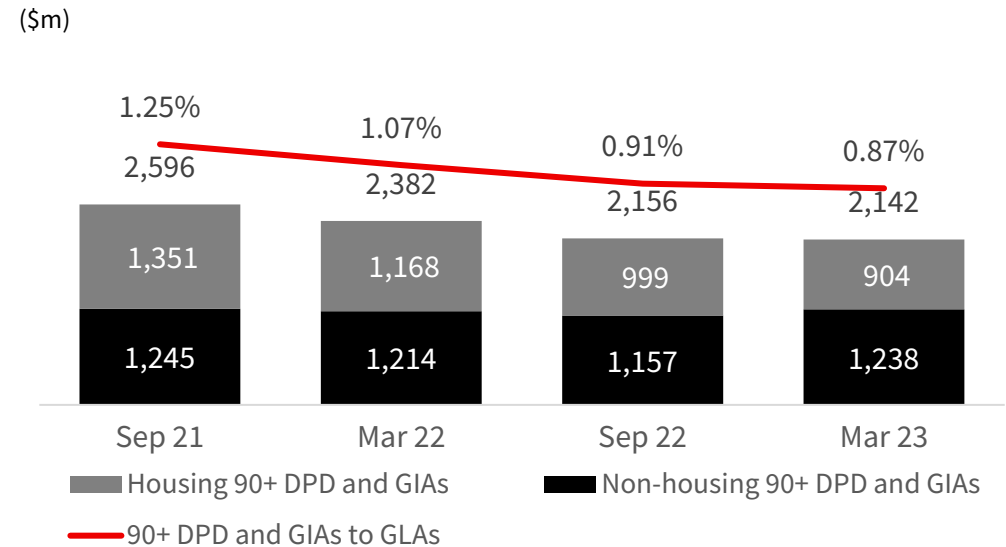
(1) Fully Secured is where the loan amount is less than 100% of the bank extended value of security; Partially Secured is where the loan amount is greater than 100% of the bank extended value of security; Unsecured is where no security is held and/or no value held against the security and negative pledge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

# Business and Private Banking asset quality

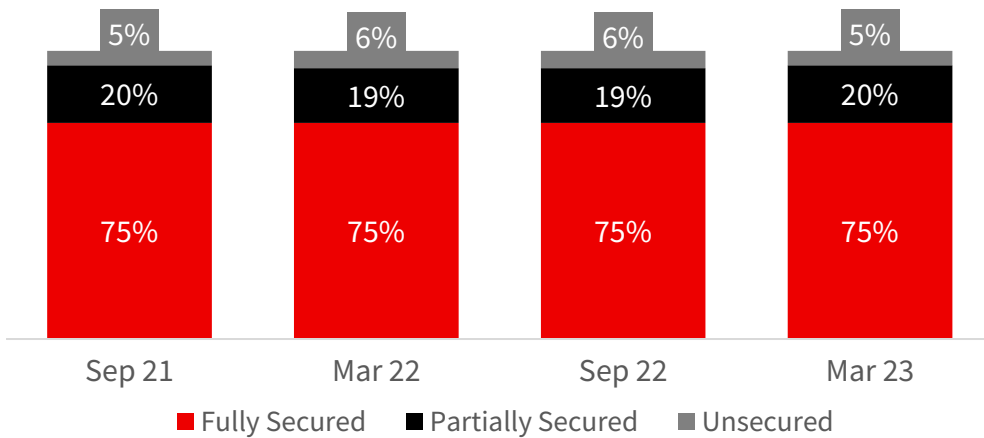
## B&PB credit impairment charge and as % of GLAs<sup>1</sup>



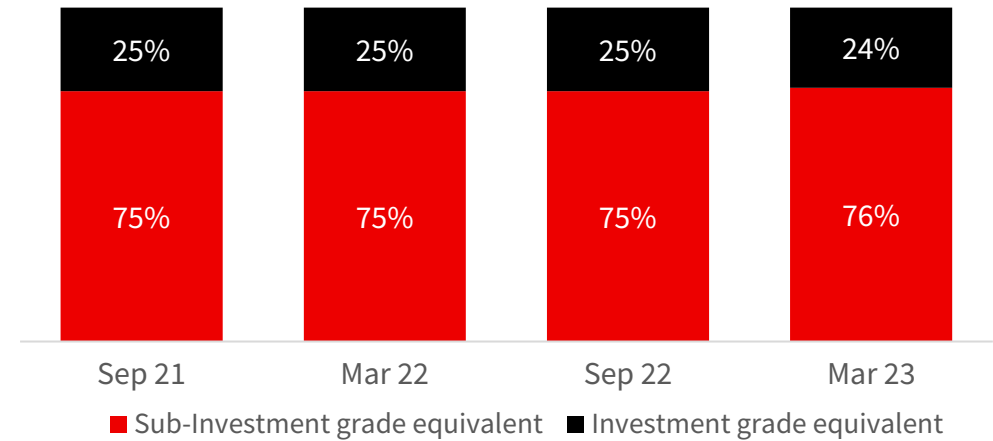
## B&PB 90+DPD and GIAs and as % of GLAs<sup>1</sup>



## B&PB business lending security profile<sup>2</sup>



## Business lending portfolio quality

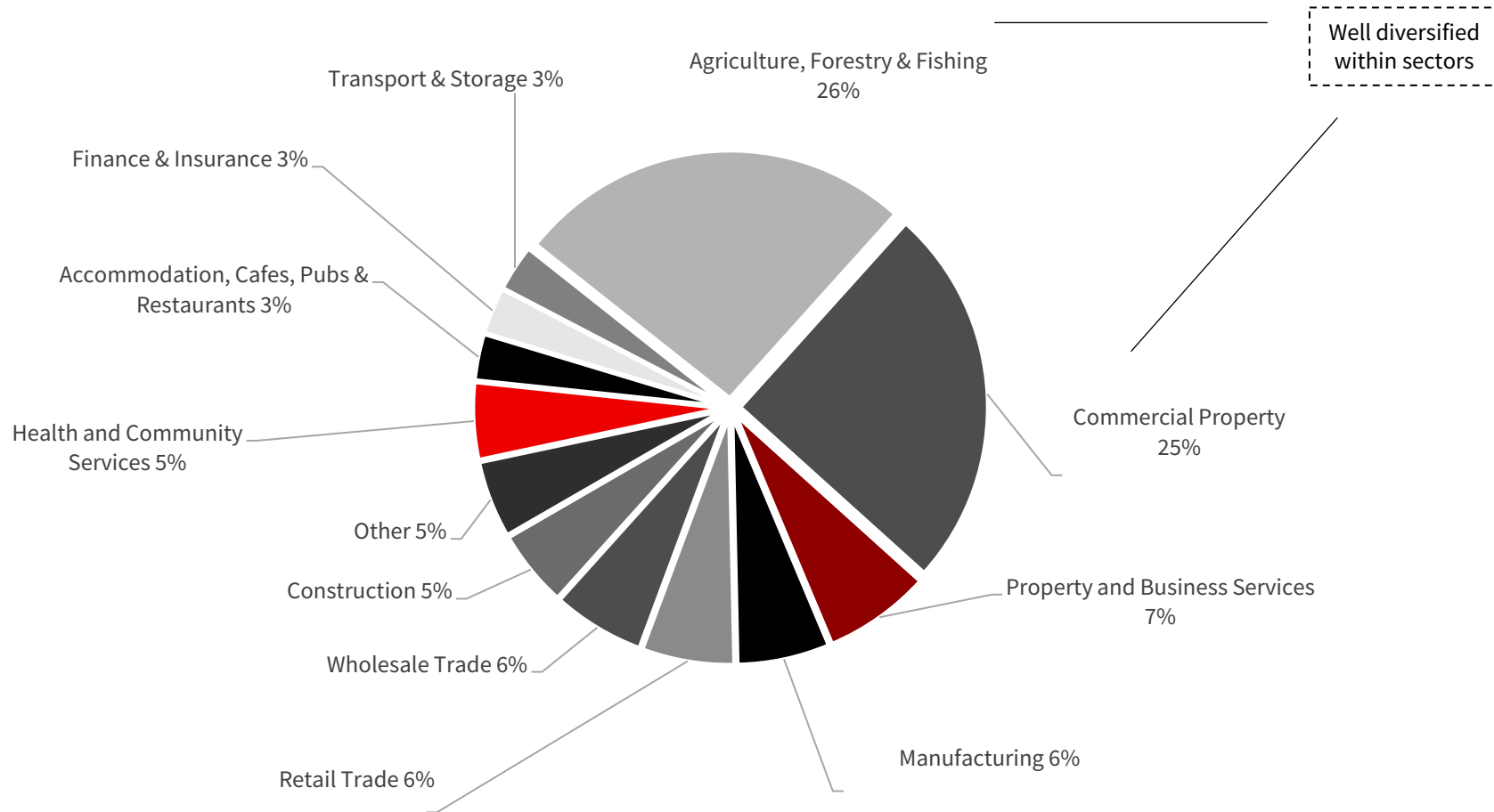


(1) B&PB credit impairment charges and 90+ DPD and GIAs reflect the total B&PB portfolio including mortgages

(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

# Business and Private Banking business lending \$137bn<sup>1</sup>

Well diversified EAD by industry



(1) Refers to business lending gross loans and advances in Business & Private Banking division

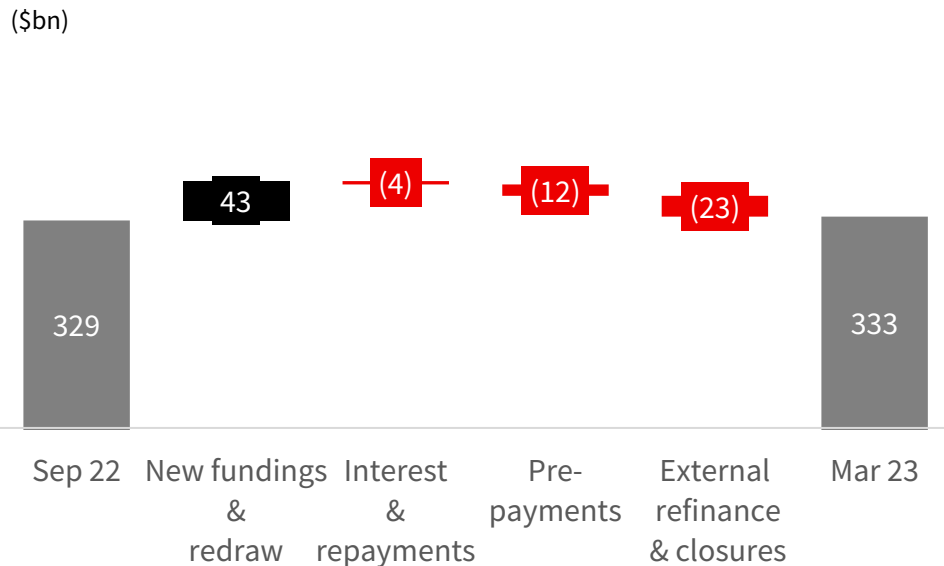
# Additional product information

Australian Housing Lending

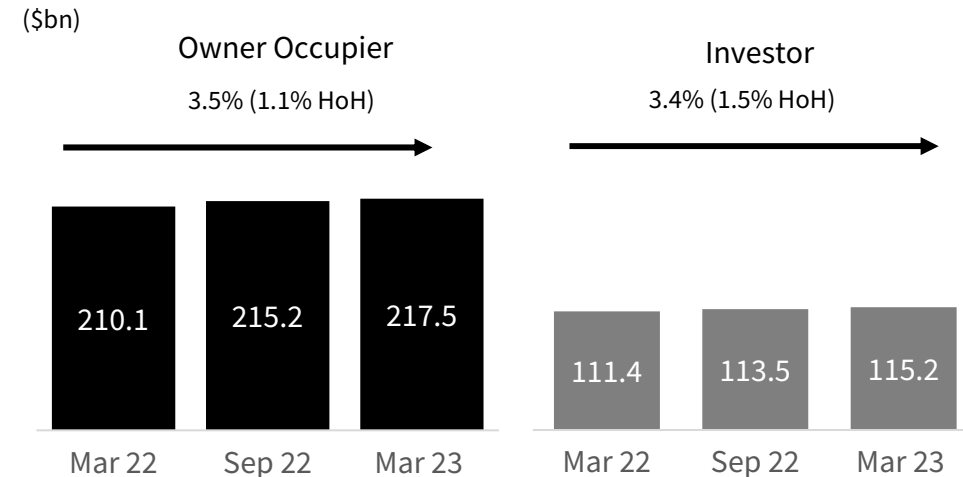


# Housing lending portfolio profile

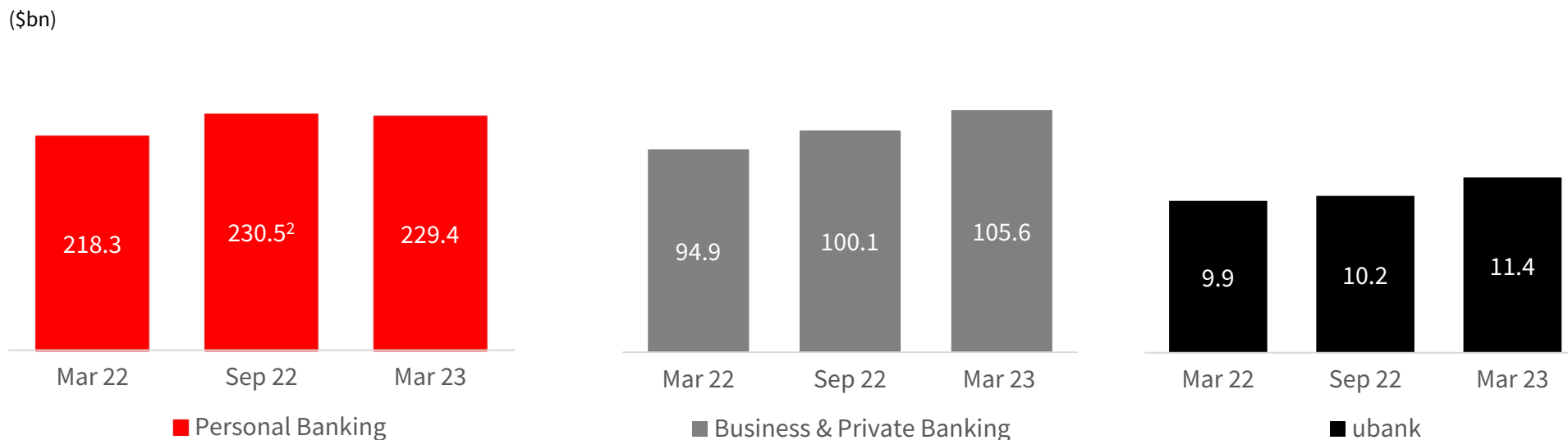
## Housing lending flow movements<sup>1</sup>



## Housing lending volume growth<sup>1</sup>



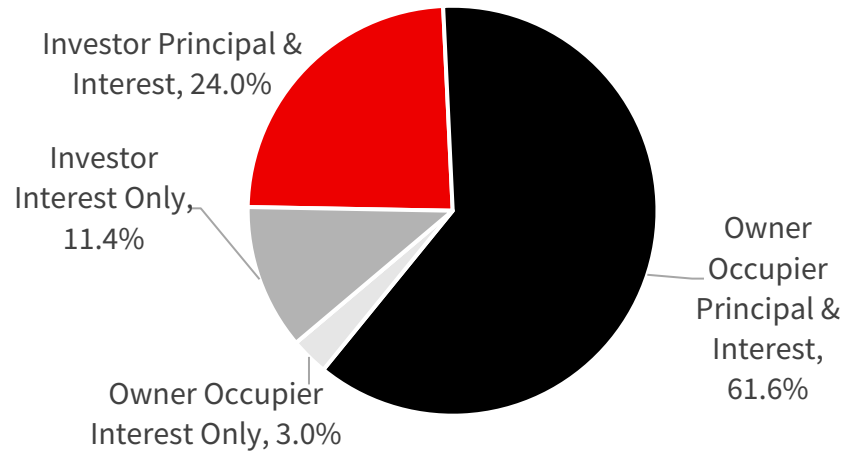
## Housing lending by division



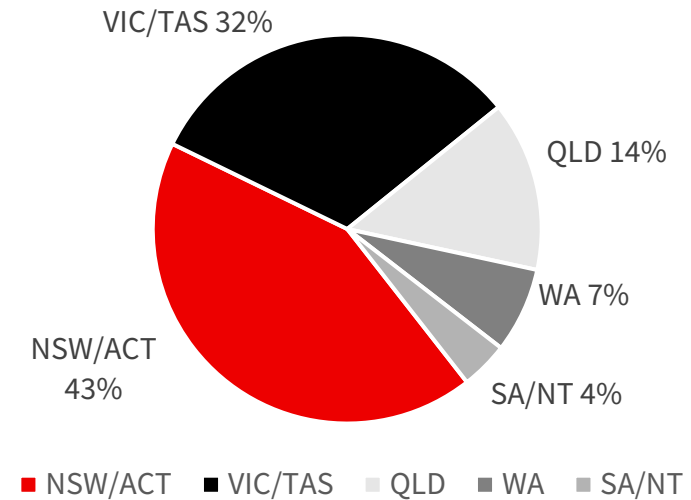
(1) Excludes home loan offsets, 86 400 platform and Citi Consumer Business  
 (2) Includes \$9bn of Citi Consumer Business balances acquired at completion on 1 June 2022

# Housing lending portfolio profile

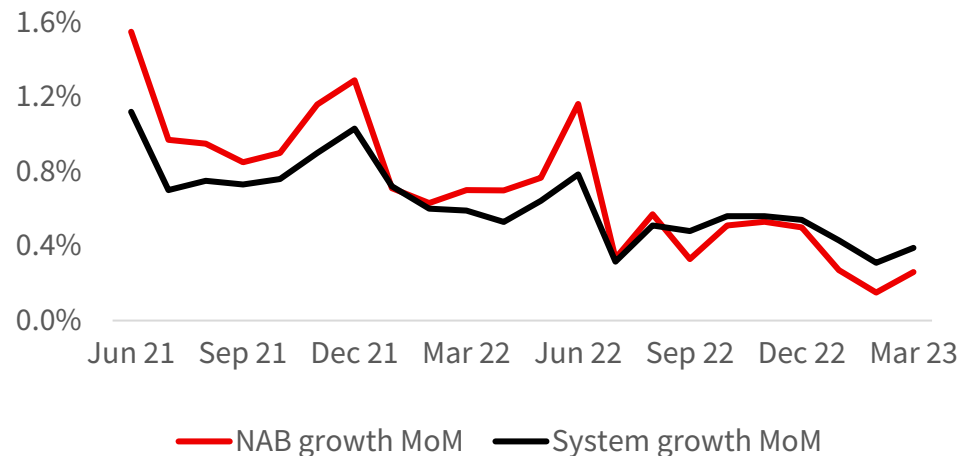
## Housing lending volume by borrower and repayment type<sup>1</sup>



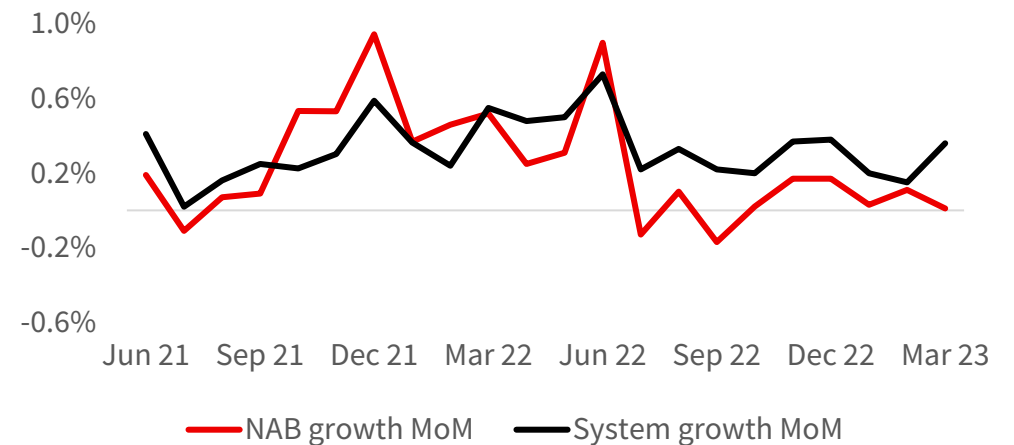
## Australian mortgages profile<sup>1,2</sup>



## Owner Occupier monthly growth<sup>3,4</sup>



## Investor monthly growth<sup>3,4</sup>

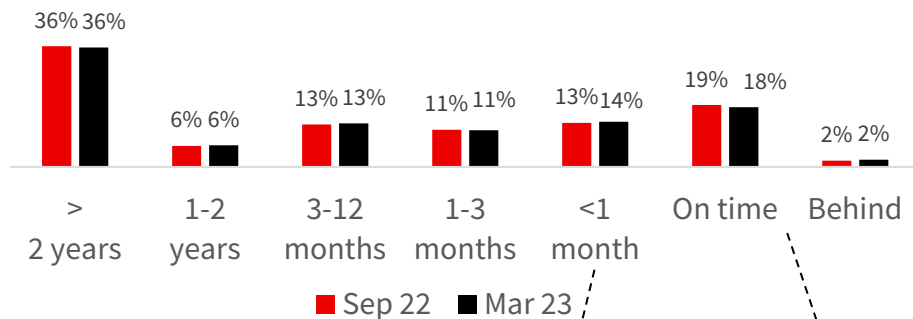


(1) Excludes 86 400 platform and Citi Consumer Business  
 (2) Does not sum to 100% due to rounding  
 (3) Only includes housing loans to households based on APRA ARF 720.1 reporting definitions, and excludes counterparties such as private trading corporations  
 (4) Includes 86 400 from May 2021 and Citi Consumer Business from June 2022. Contains a reclassification of ~0.8-0.9bn from Home Lending to Personal Lending (results in an approximate 5bps change overall), that occurred in Nov 22, with no historical restatements from APRA published data



# Housing lending portfolio profile

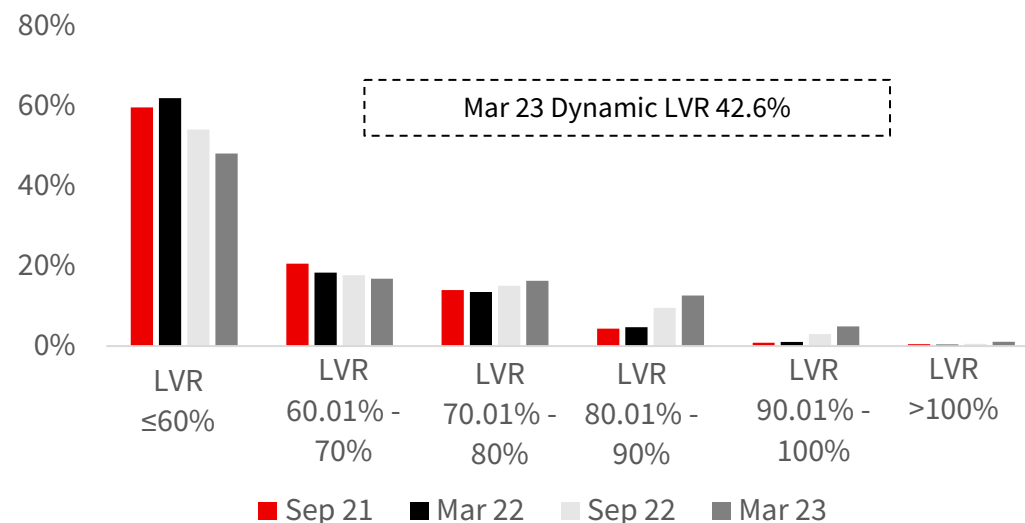
## Offset and redraw balances multiple of monthly repayments<sup>1</sup>



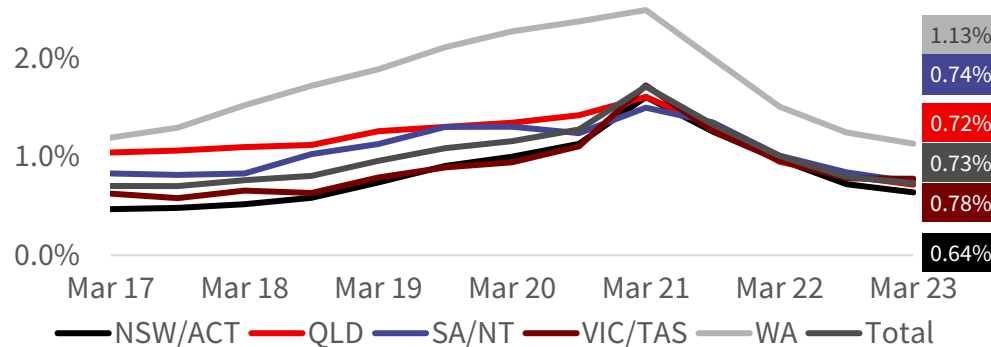
## Profile of repayments <1 month, on time<sup>1</sup>



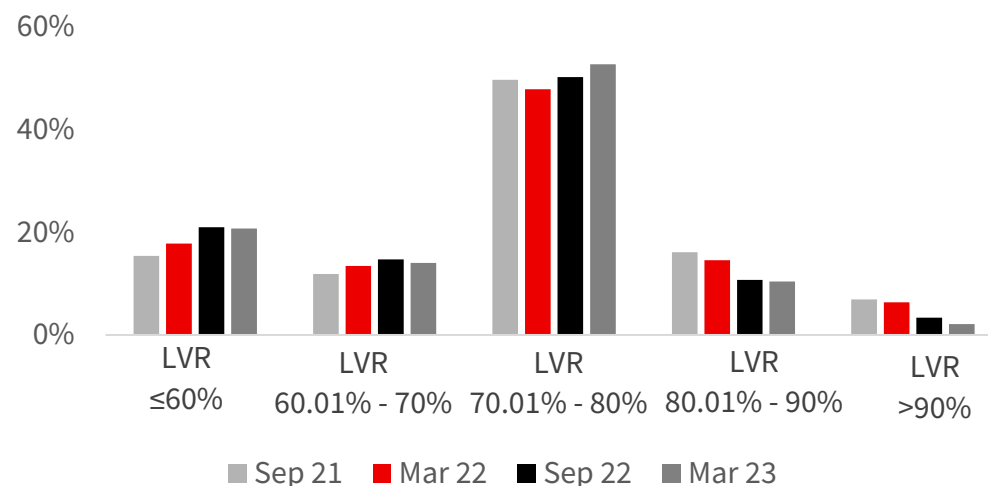
## Dynamic LVR breakdown of drawn balance<sup>2</sup>



## Housing lending 90+DPD & GIAs as a % of GLAs<sup>2</sup>



## LVR breakdown at origination<sup>2</sup>



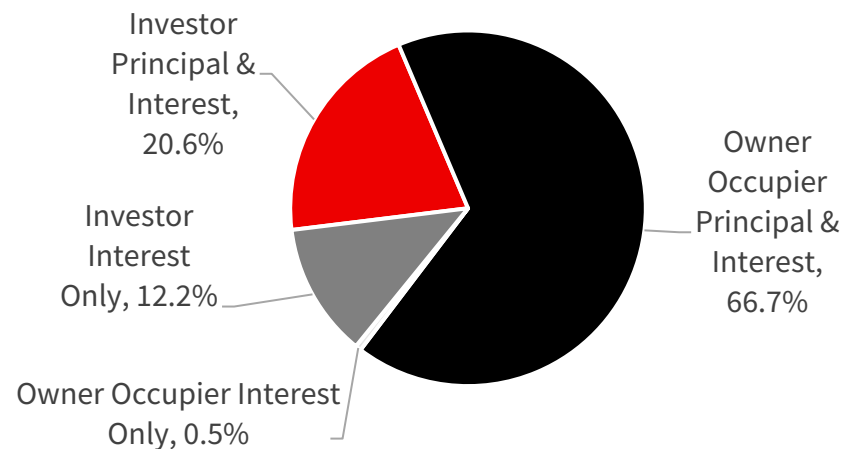
(1) By accounts. Includes offsets. Excludes line of credit, Citi Consumer Business and 86 400 platform  
 (2) Excludes 86 400 platform and Citi Consumer Business

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

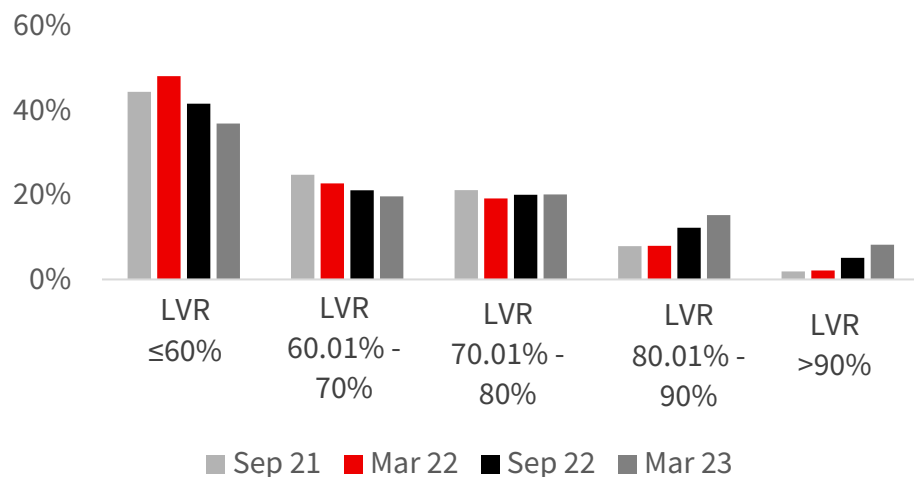
## Fixed rate (FR) lending book

- \$94bn FR book, rolls to VR loan at expiry, and ~88% to expire over the next two years
- 66% originated since Oct 20
- Proactive customer engagement with customers rolling off FR loans – ~85% retention to date
- 54% of customers also have a VR loan i.e. split loan
- All loans originated in past 2.5 years assessed on P&I basis using floor of at least 4.95% (5.75% from Sep 22) or buffer of at least 2.5% (3% from Nov 21) whichever is higher

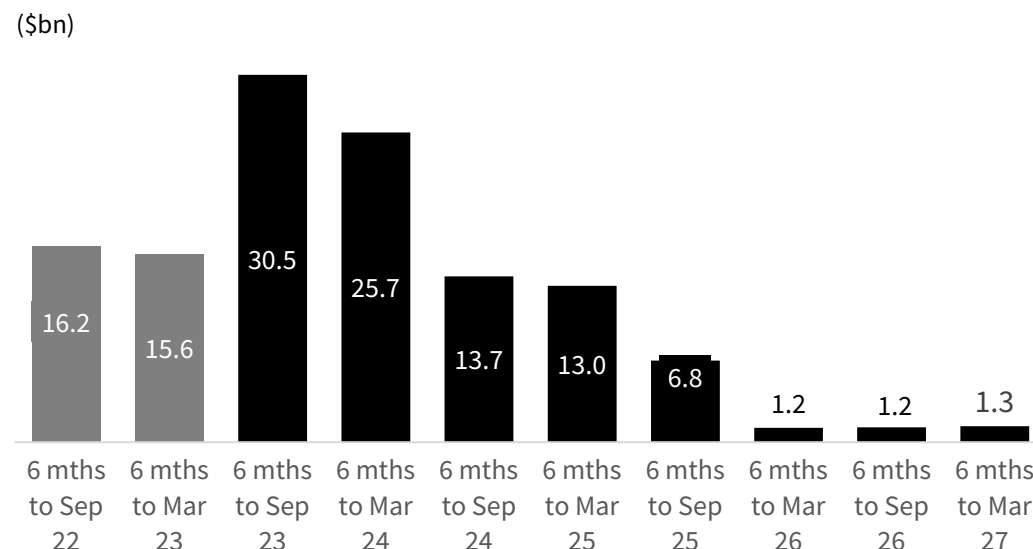
## FR housing lending volume by borrower and repayment type



## FR Dynamic LVR



## FR home loan contractual expiry profile



(1) Excludes 86 400 platform and Citi Consumer Business

# Housing lending practices & policies

## Key origination requirements

<b>Income</b>	<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><b>10% shading applies to rental income (Nov 22)</b></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>
<b>Household expenses</b>	<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>
<b>Serviceability</b>	<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> </ul>
<b>Existing debt</b>	<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 key metrics<sup>1</sup>

Australian Housing Lending	Sep 21	Mar 22	Sep 22	Mar 23		Mar 22	Sep 22	Mar 23
	Portfolio					Drawdowns <sup>2</sup>		
Total Balances (spot) \$bn	309	322	329	333		49	42	35
Average loan size \$'000 per account	315	324	334	345		468	489	526
By product type								
- Variable rate	61.3%	58.7%	63.4%	68.4%		53.3%	86.0%	95.3%
- Fixed rate	34.4%	37.4%	32.9%	28.2%		45.2%	12.5%	3.6%
- Line of credit	4.4%	4.0%	3.7%	3.4%		1.5%	1.5%	1.1%
By borrower type								
- Owner Occupied	65.4%	65.4%	65.5%	65.4%		62.5%	64.4%	62.2%
- Investor	34.6%	34.6%	34.5%	34.6%		37.5%	35.6%	37.8%
By channel								
- Proprietary	58.2%	55.8%	53.9%	52.3%		44.9%	40.7%	38.7%
- Broker	41.8%	44.2%	46.1%	47.7%		55.1%	59.3%	61.3%
Interest only <sup>3</sup>	12.7%	12.9%	13.4%	14.1%		22.5%	22.1%	24.0%
Low Documentation	0.3%	0.3%	0.2%	0.2%				
Offset account balance (\$bn)	34	38	39	41				
LVR at origination	69.6%	69.5%	69.2%	68.9%		70.8%	68.2%	67.7%
Dynamic LVR on a drawn balance calculated basis	38.8%	37.9%	40.5%	42.6%				
Customers with offset and redraw balances $\geq$ 1 month repayment <sup>4</sup>	66.4%	65.6%	66.4%	66.4%				
Offset and redraw balances multiple of monthly repayments	46.2	47.6	45.6	41.2				
90+ days past due	1.24%	0.93%	0.73%	0.67%				
Impaired loans	0.10%	0.08%	0.06%	0.06%				
Specific provision coverage ratio	32.3%	34.0%	30.5%	28.9%				
Loss rate <sup>5</sup>	0.01%	0.01%	0.01%	0.01%				
Number of properties in possession	169	155	135	140				

(1) Excludes 86 400 platform and Citi Consumer Business

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

(3) Excludes line of credit products

(4) Excludes line of credit

(5) 12 month rolling Net Write-offs / Spot Drawn Balances

# Housing lending repayment profile

## Key considerations

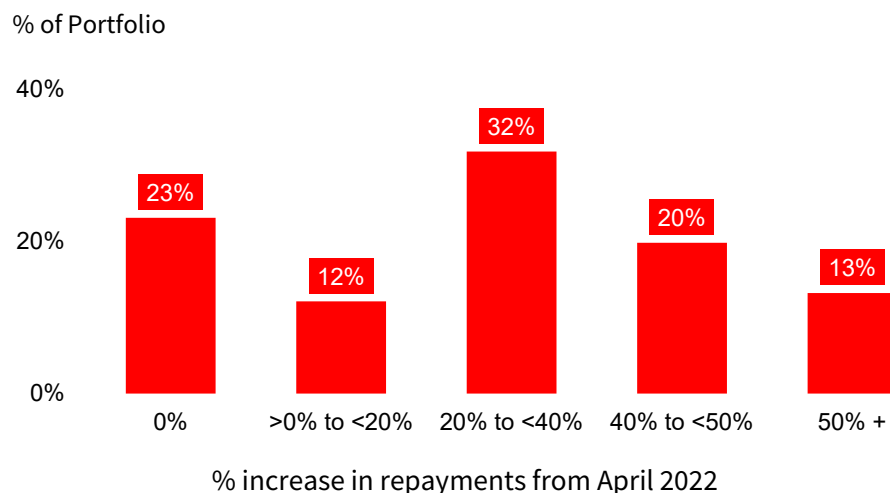
- All variable rate (VR) loan repayments were reviewed at least once by early Jan 23 with payments adjusted where required; moved to quarterly repayment reviews from February (previously annual)
- \$31bn Fixed Rate (FR) loans expiring in 2H23; 87% of all FR loans are P&I
- Early engagement underway for customers identified as potentially at repayment risk

## Profile of forecast mortgage repayments at 3.85% cash rate<sup>1,2,3</sup>

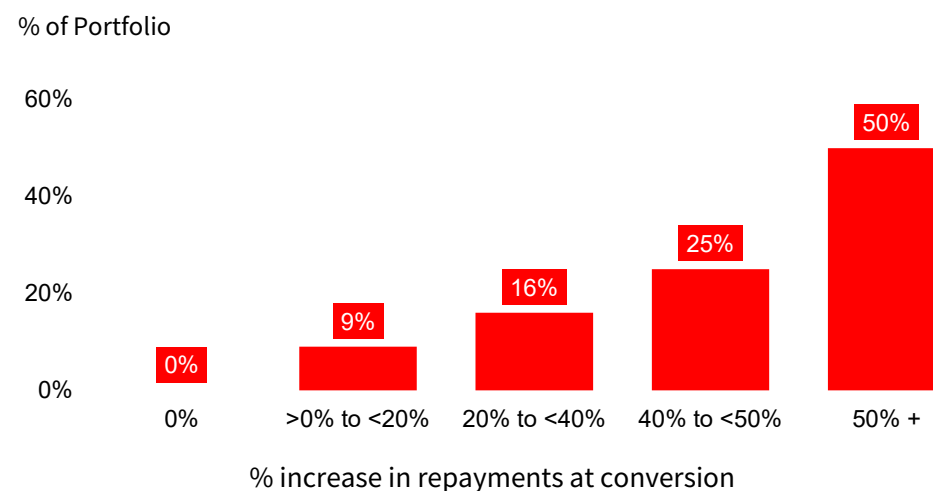
Repayment profile from April 22 at 3.85% cash rate	VR P&I <sup>4</sup>	FR expiring by Mar 24
% of accounts with monthly repayment increase, <b>for which:</b>	77%	100%
- Ave monthly % increase	37%	59%
- Ave monthly \$ increase	\$585	\$943
- % of accounts with >40% increase in monthly repayments	43%	75%

## Profile of forecast mortgage repayments at 3.85% cash rate<sup>1,2,3</sup>

### Variable rate principal & interest book<sup>4</sup>



### Fixed rate book expiring by Mar 24



(1) Excludes line of credit, 86 400 platform and Citi Consumer Business

(2) By account

(3) Analysis assumes full pass through of cash rate increases to current customer rates

(4) Based on VR P&I loans on book at April 2022 and still on book at March 2023. Increase relative to customer repayments in April 2022

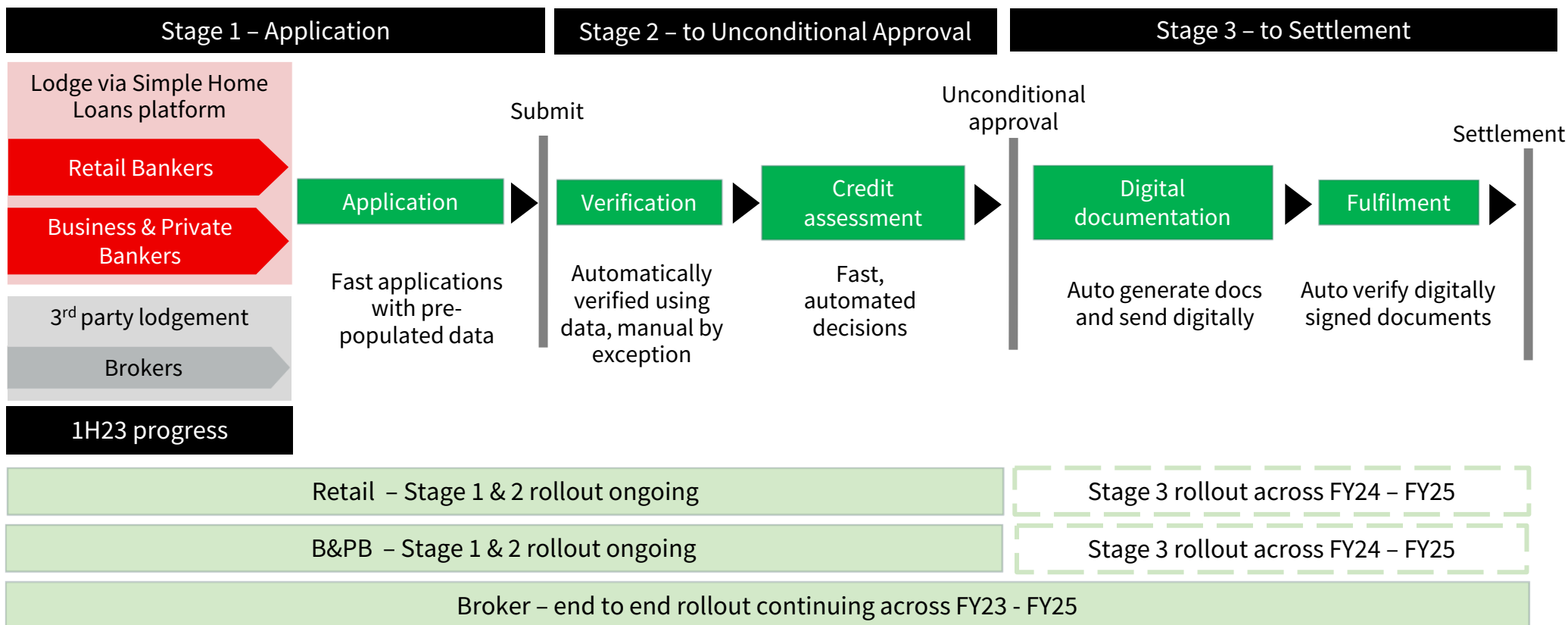
# Our ambition to build Australia's simplest home loan



## Simple home loans (SHL): A digital end-to-end platform with 'intervention by exception'

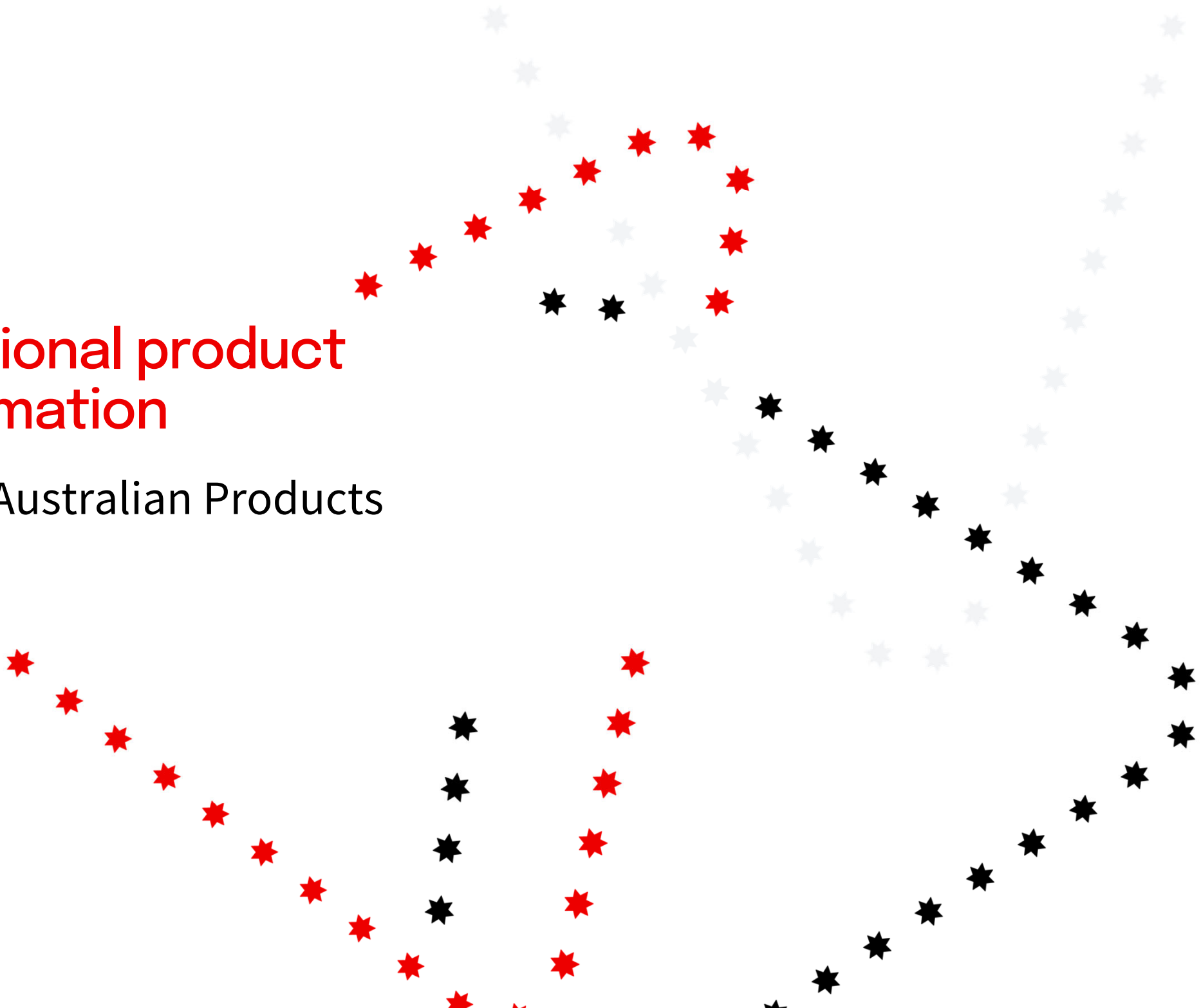
### 1H23 update

- B&PB rollout progressing well with ~40% of banker flow now submitted via SHL
- 90% of Retail flow submitted via SHL and delivering 70% same-day approvals
- Broker foundation work complete and now progressively scaling volume through the platform



# Additional product information

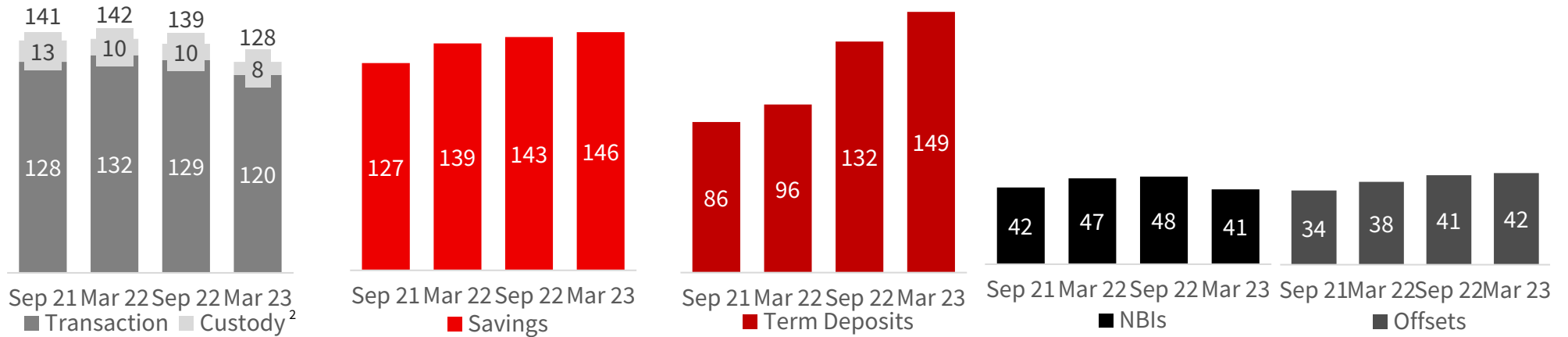
Other Australian Products



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

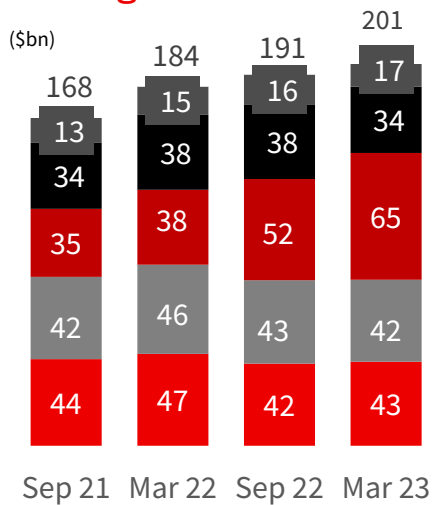
## Customer deposit balances by product

(\$bn)

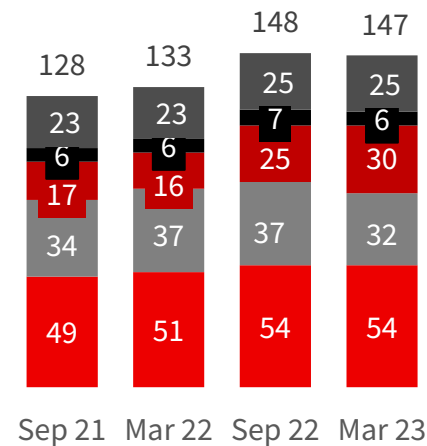


## Business and Private Banking

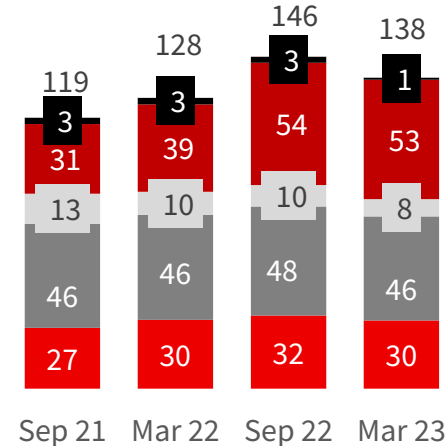
(\$bn)



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



## Corporate and Institutional Banking



## Other<sup>3</sup>



■ Savings ■ Transaction ■ Custody<sup>2</sup> ■ TD ■ NBI ■ Offset

(1) Includes Citi Consumer Business balances

(2) The NAB Asset Servicing business includes total deposits for approximately \$13bn, of which \$8bn relates to custody deposits. This business is being wound down over approximately three years from November 2022

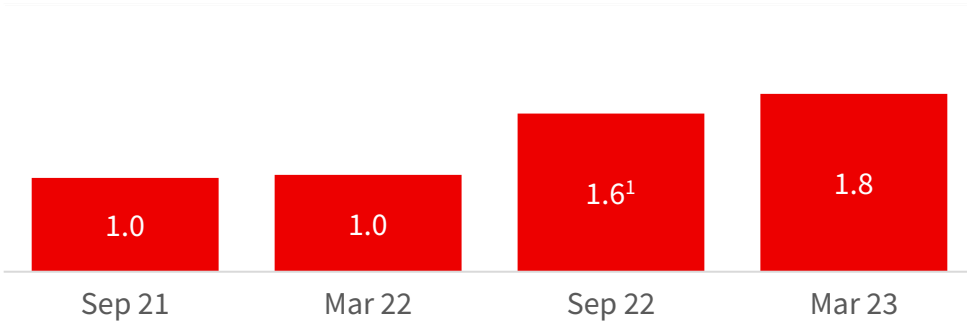
(3) Includes ubank and 86 400



# Other banking products

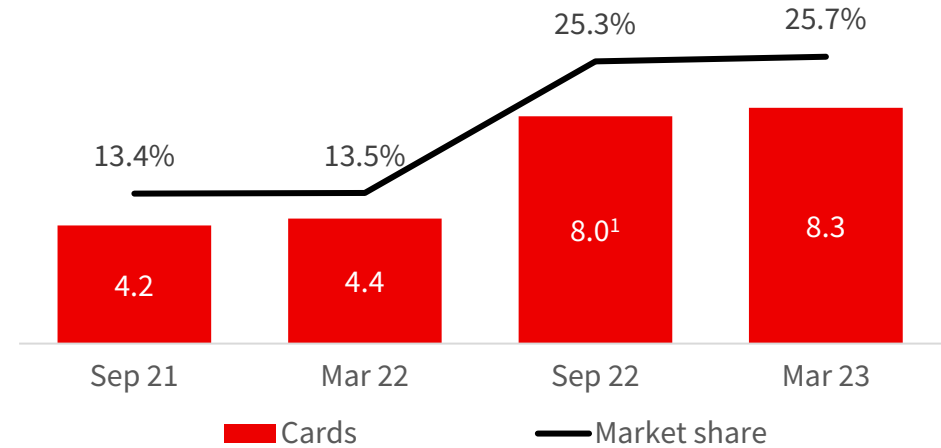
## Personal lending balance

(\$bn)



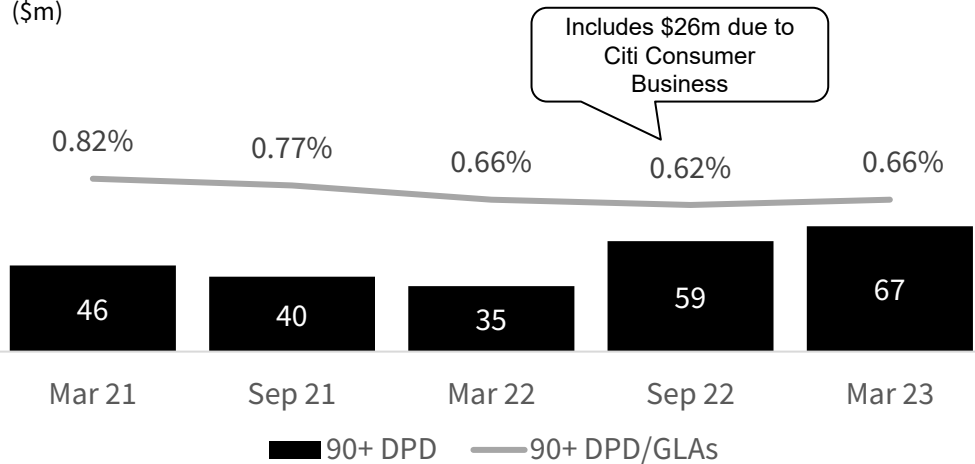
## Cards balance and market share<sup>2,3</sup>

(\$bn)

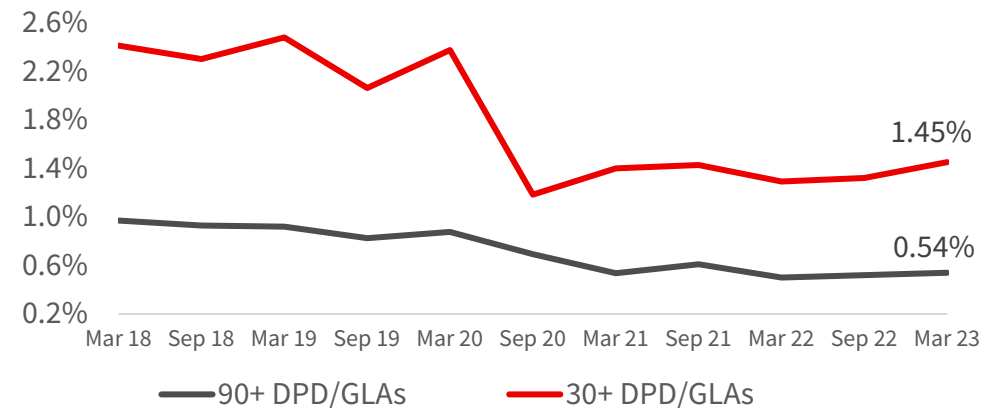


## Cards<sup>2</sup> and personal lending 90+DPD and as a % of total cards and personal lending GLAs

(\$m)



## Consumer cards 30+DPD & 90+DPD as % of outstandings



(1) Represents Citi Consumer Business balances acquired by NAB Group on 1 June 2022 of \$0.55bn for personal lending and \$3.27bn for cards

(2) Includes consumer and commercial cards

(3) Market share refers to consumer cards only. APRA Monthly Authorised Deposit-taking Institution statistics. Latest data as at March 2023

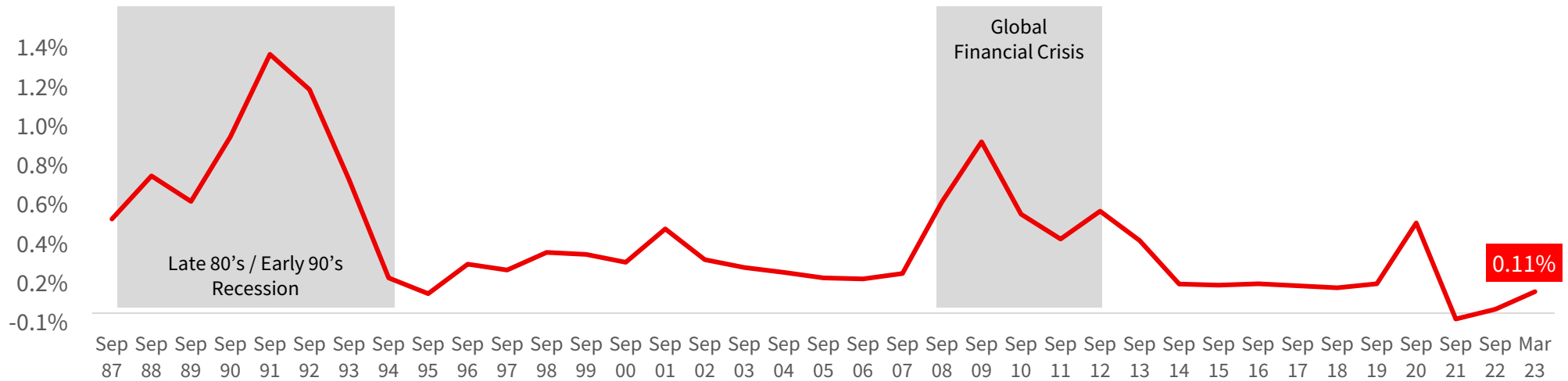
# Additional information

## Group Asset Quality



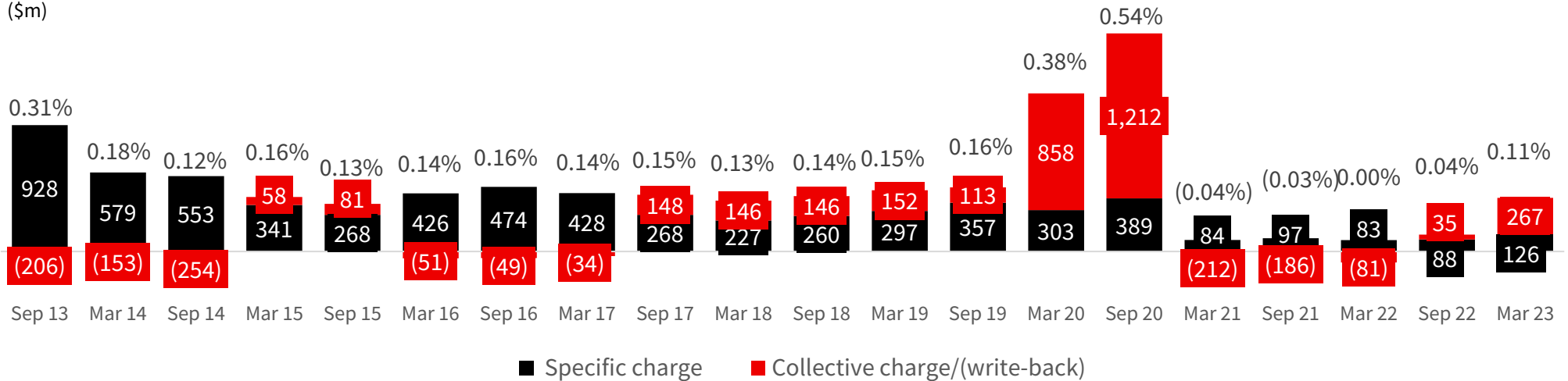
# Group credit impairment charge

## Credit impairment charge as % of GLAs



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

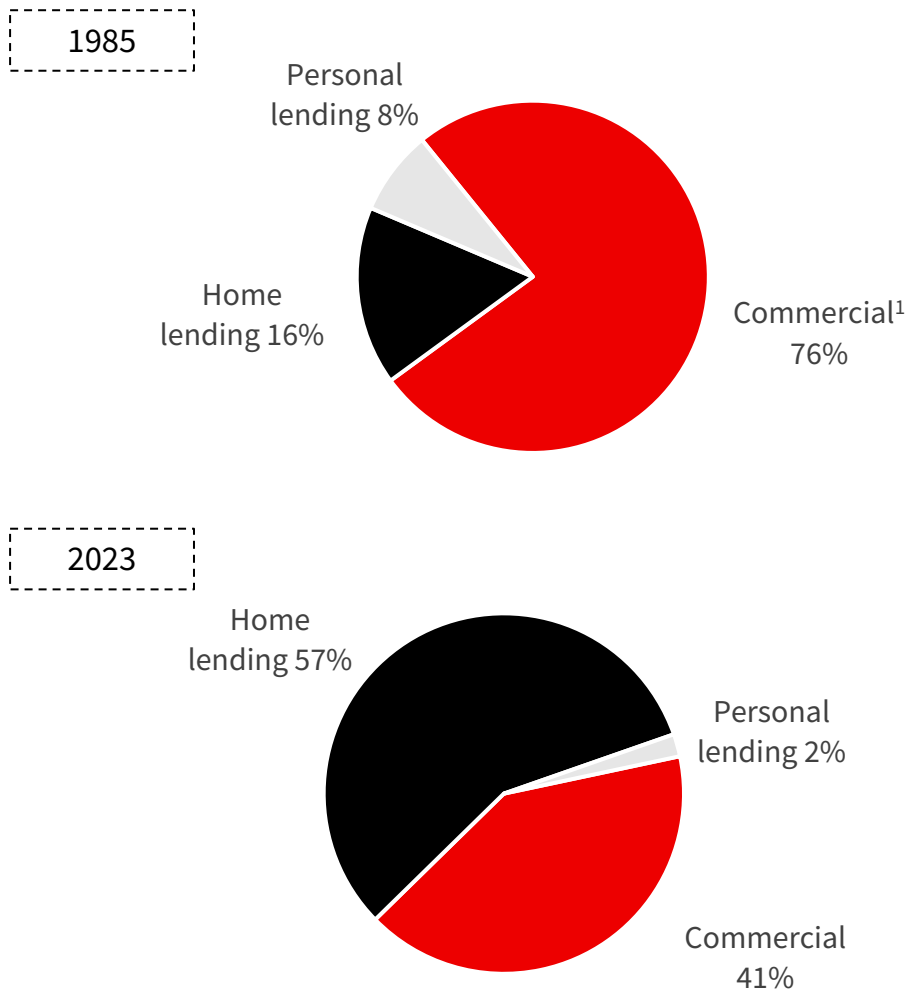
(\$m)



(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 - 2022 <sup>2</sup> )	Long run average (2003 - 2022 <sup>2</sup> )
Home lending <sup>3</sup>	0.03%	0.03%
Personal lending <sup>3,4</sup>	1.53%	2.18%
Commercial <sup>3</sup>	0.50%	0.39%
Australian average	0.31%	0.21%
Group average <sup>5</sup> based on 2022 business mix	0.25%	0.21%
Group average <sup>5</sup> based on 2022 business mix (excluding 1991-1993 and 2009-2012)	0.16%	n/a
Group average <sup>5</sup> based on 2022 business mix (excluding 2009-2012)	n/a	0.16%

(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 - 2022), NAB's Supplemental Information Statements (2007 - 2020) and NAB's Annual Financial Reports (1985 - 2006)

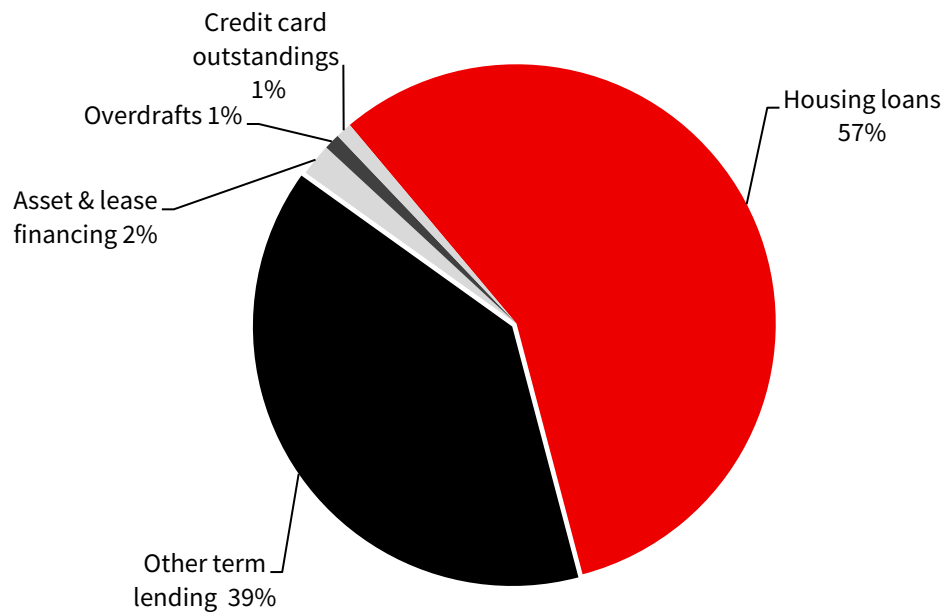
(3) Home lending represents "Real estate - mortgages" category; Personal lending represents "Instalment loans to individuals and other personal lending (including credit cards)" category; Commercial represents "all other industry lending categories" as presented in the source documents as described in note 2 above

(4) Personal lending net write off rate since 2008 is above long run average of 1.53% (1985 - 2022) or 2.18% (2003 - 2022). Average net write off rate 2008 - 2022 is 2.50%

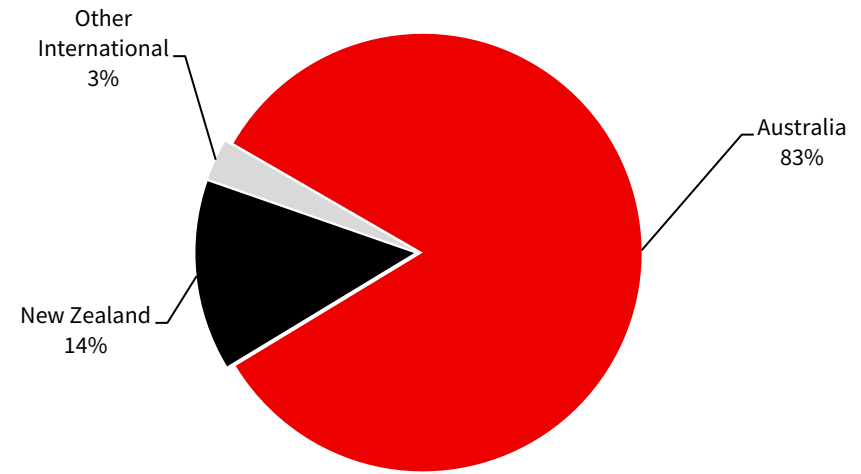
(5) Group average is calculated by applying each of the Australian geography long run average net write off rates by product to the respective percentage of Group GLAs by product as at 31 March 2023. Commercial long run average net write off rate has been applied to acceptances

# Group lending mix

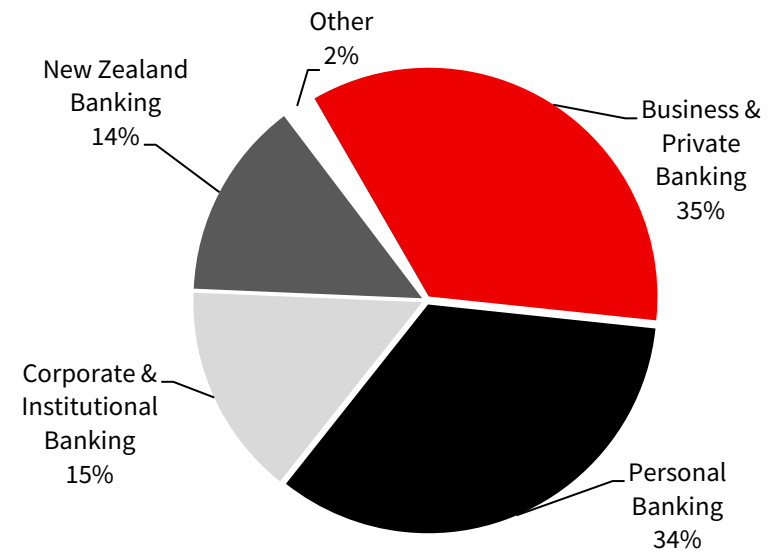
Gross loans and acceptances by product - \$701bn



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



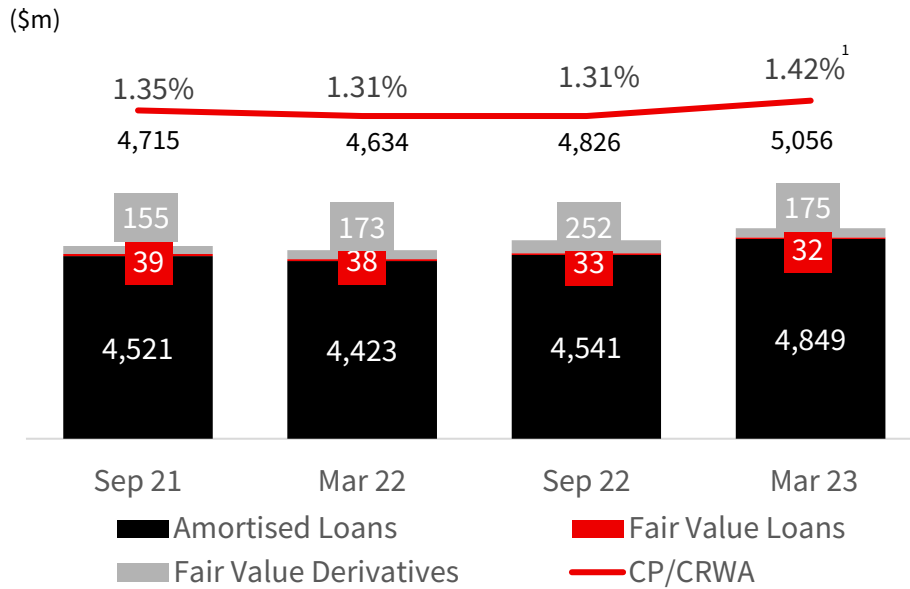
Gross loans and acceptances by business unit



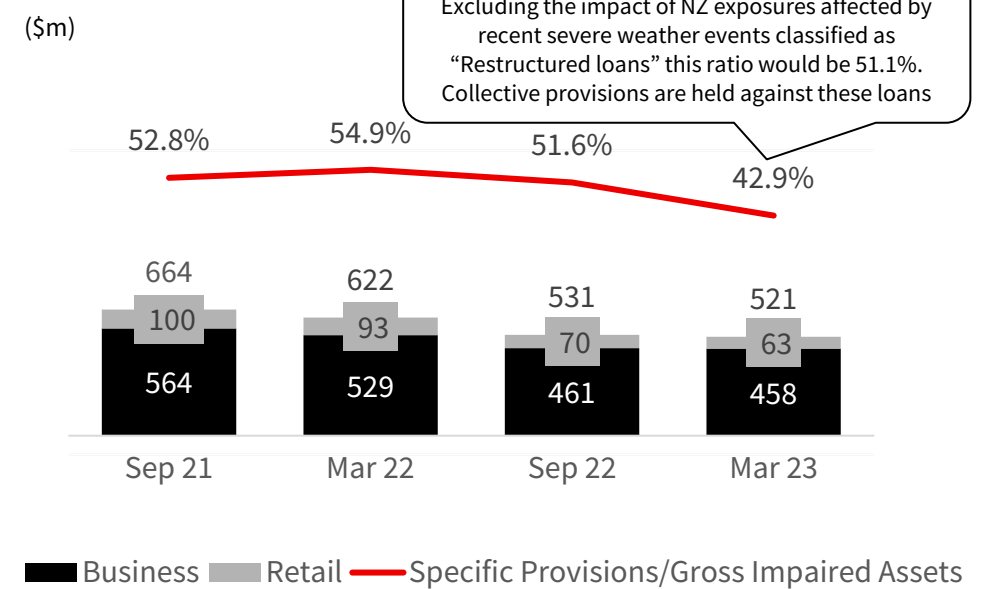
(1) Based on booking office where transactions have been recorded

# Group provisions

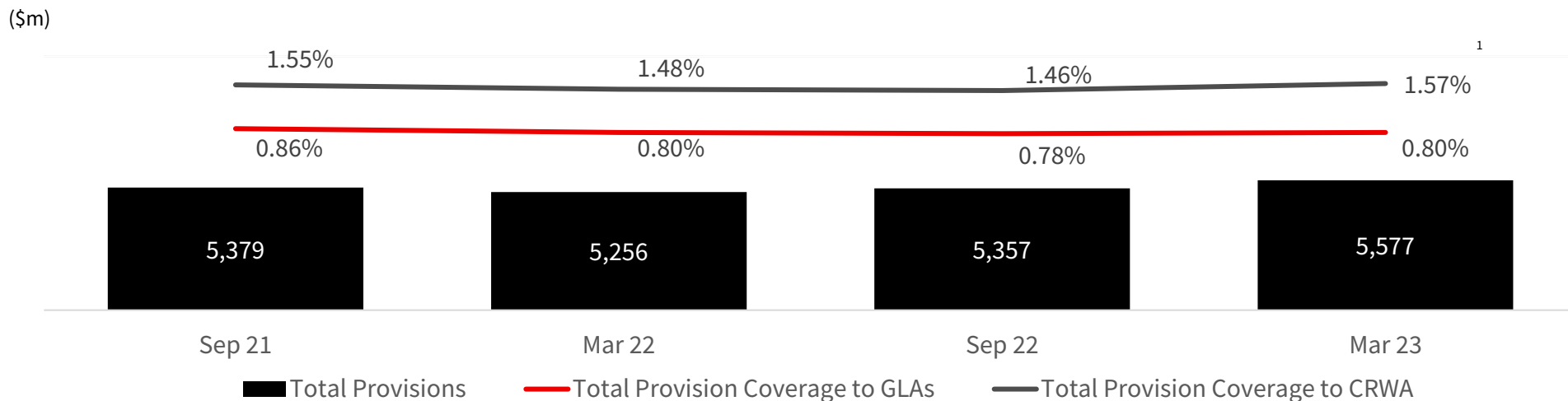
## Collective provisions



## Specific provisions



## Total provisions

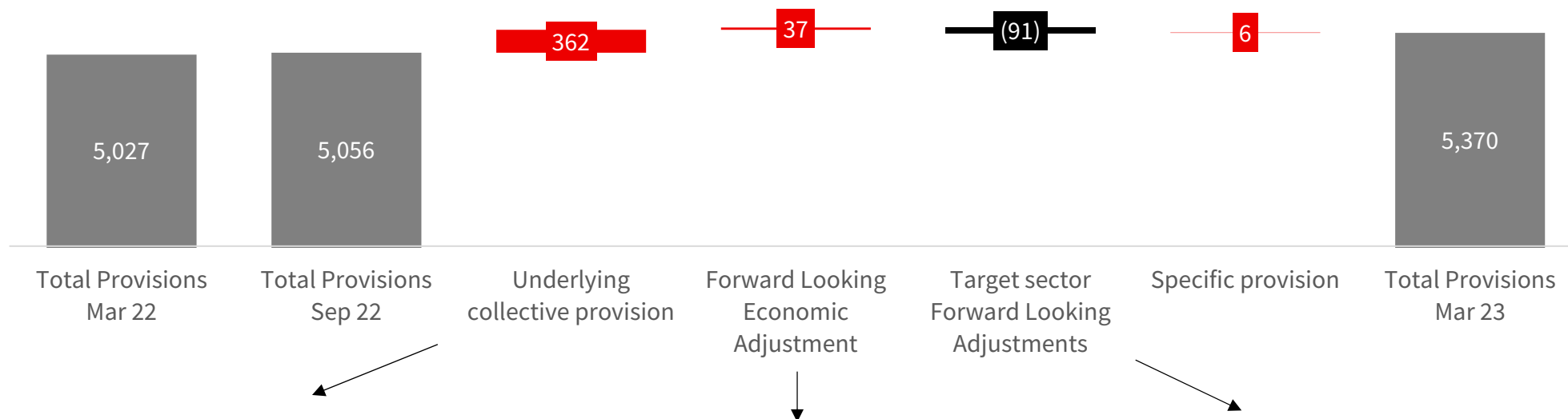


(1) March 2023 figures include the impact of a reduction in credit risk-weighted assets as a result of the implementation of the revised capital framework from 1 January 2023

# Provisions

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

(\$m)



### Underlying CP

- Model outcomes based on point-in-time data
- 1H23 increase reflects growth for business lending portfolio in Business & Private Banking and the impact of lower house prices

### 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)
- 1H23 EA increase of \$37m<sup>2</sup> reflects a top-up to reflect a slightly weaker economic outlook

### Target sector FLAs

- Considers forward looking stress incremental to EA changes
- \$91m<sup>2</sup> net release of target sector FLAs including partial release of Aust energy FLA

(1) Excludes provisions on fair value loans and derivatives

(2) Collective provision net FLA / EA change March 2023 v September 2022 includes \$14m due to foreign exchange movements

# Expected Credit Losses (ECL) assessment

## ECL scenarios & weightings

Total Provisions for ECL <sup>1,2</sup>			
\$m	1H23 (probability weighted)	100% Base case	100% Downside
Total Group	5,370	4,493	6,454
Increase from Sep 22	314	201	446

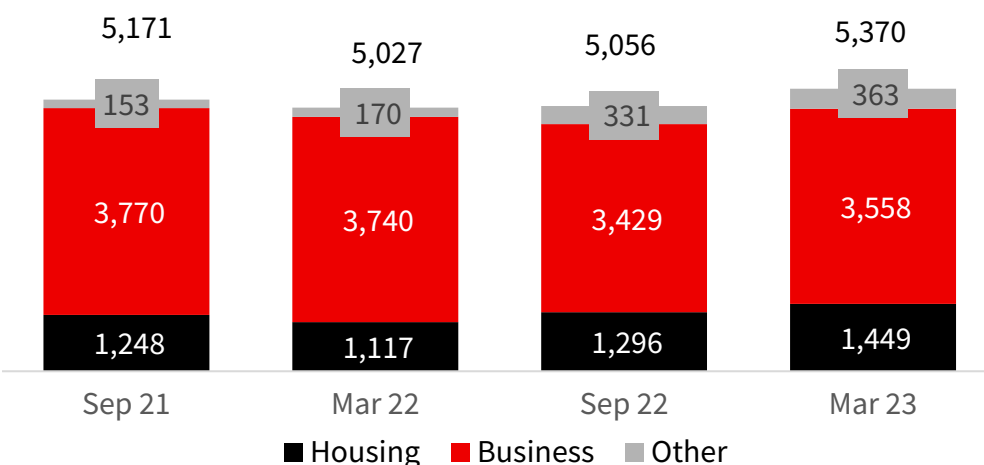
Macro economic scenario weightings			
Group Portfolio (%)	Upside	Base case	Downside
30 Sep 22	2.5	52.5	45.0
31 Mar 23	2.5	52.5	45.0

## Key considerations

- Increase in ECL vs Sep 22 reflects growth for business lending portfolio in Business & Private Banking and the impact of lower house prices
- \$91m release from target sector FLAs including partial release of Aust energy FLA
- \$37m EA top up reflects a slightly weaker economic outlook
- \$6m SP increase due to low levels of new impairments partially offset by work-outs

## Total provisions for expected credit losses<sup>1</sup>

(\$m)



## Economic assumptions

Australian economic assumptions considered in deriving ECL <sup>2</sup>						
%	Base case			Downside		
	FY23	FY24	FY25	FY23	FY24	FY25
GDP change YoY	1.5	0.6	2.1	(2.7)	(1.6)	2.1
Unemployment	3.8	4.6	4.7	6.4	9.7	9.9
House price change YoY <sup>4</sup>	(12.6)	0.4	6.0	(11.2)	(18.6)	(2.5)

(1) ECL excludes provisions on fair value loans and derivatives

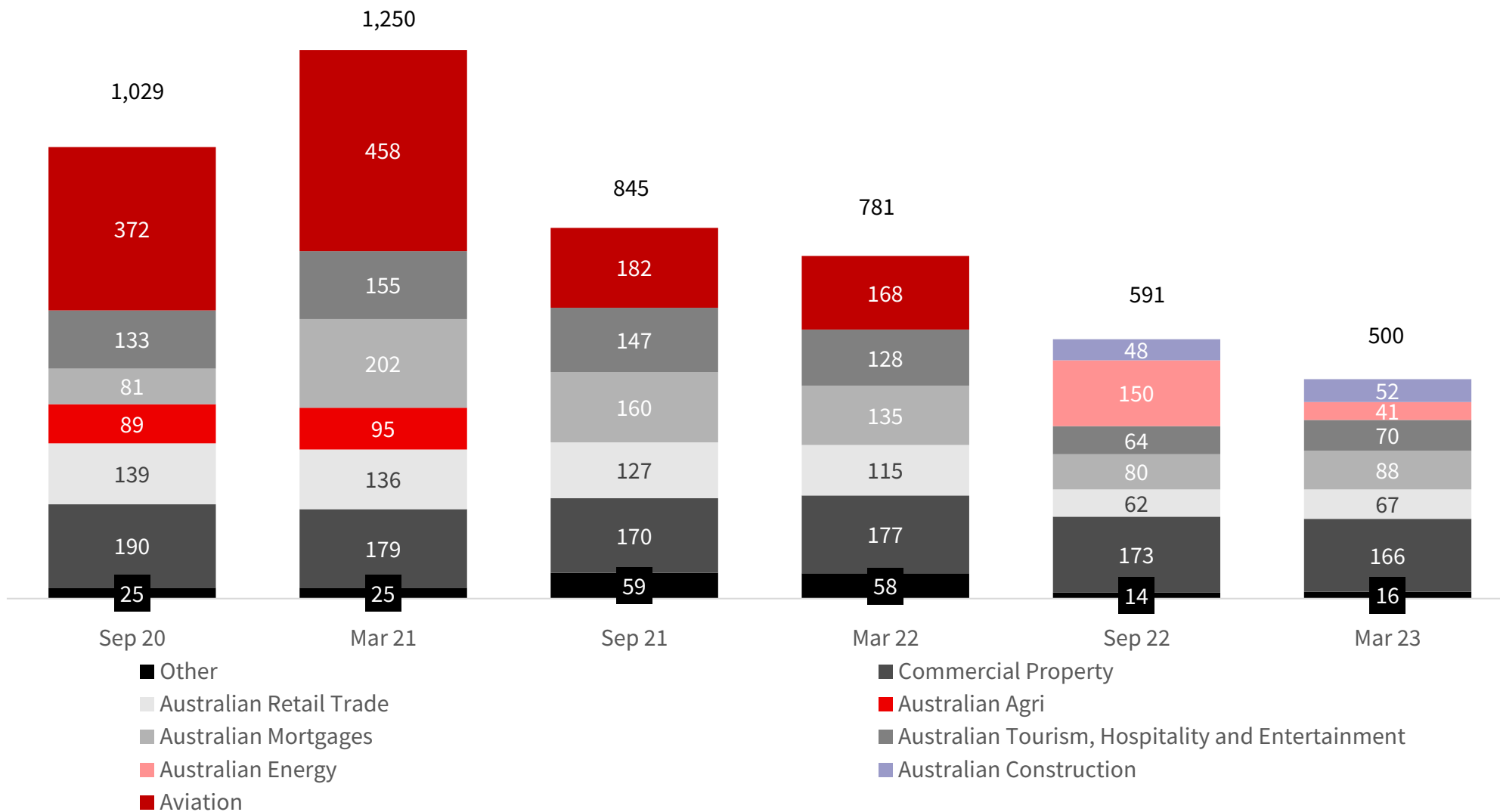
(2) Scenarios, prepared for purposes of informing forward looking provisions, rely on NAB Economics modelling and management judgement. The base case macro-economic variables are based on NAB Economics forecasts as at 31 March 2023



# Target sector FLAs

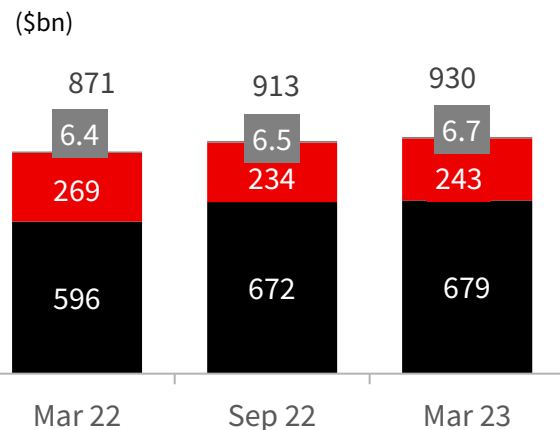
## Collective provision target sector FLAs

(\$m)

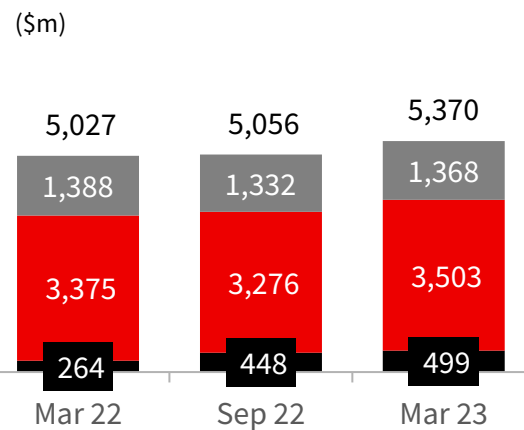


# ECL provisioning by stages

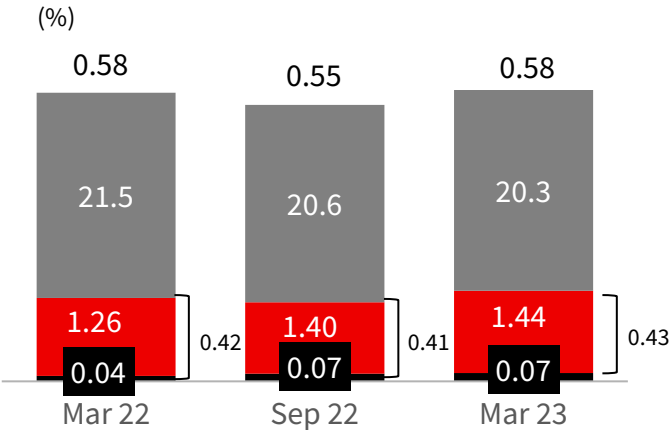
## Loans and advances by stage<sup>1,2</sup>



## Provisions by stage<sup>3</sup>



## Provision coverage by stage<sup>4</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 since initial recognition but not credit impaired	Collective
Stage 3 (Lifetime ECL)	Credit impaired: default no loss	Collective
	Credit impaired: default with loss	Specific

- Significant increase in credit risk determined by change in credit risk scores for business exposures and change in behavioural scoring outcomes for retail exposures. These rules are not prescribed by accounting standards
- Migration assumptions included in forward looking adjustments
- Stage 2 includes majority of forward looking adjustments

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

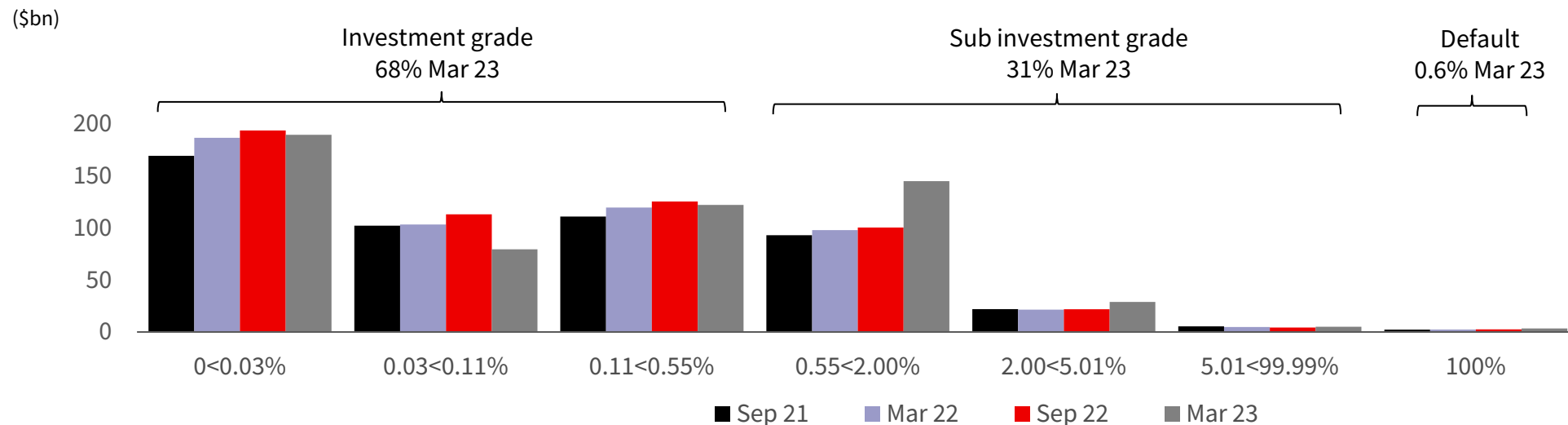
(2) Increase in Stage 3 loans and advances during the March 2023 half year is primarily due to customers affected by recent severe weather events in New Zealand

(3) Excludes collective provision on loans at fair value and derivatives which are not allocated to a stage under the ECL model

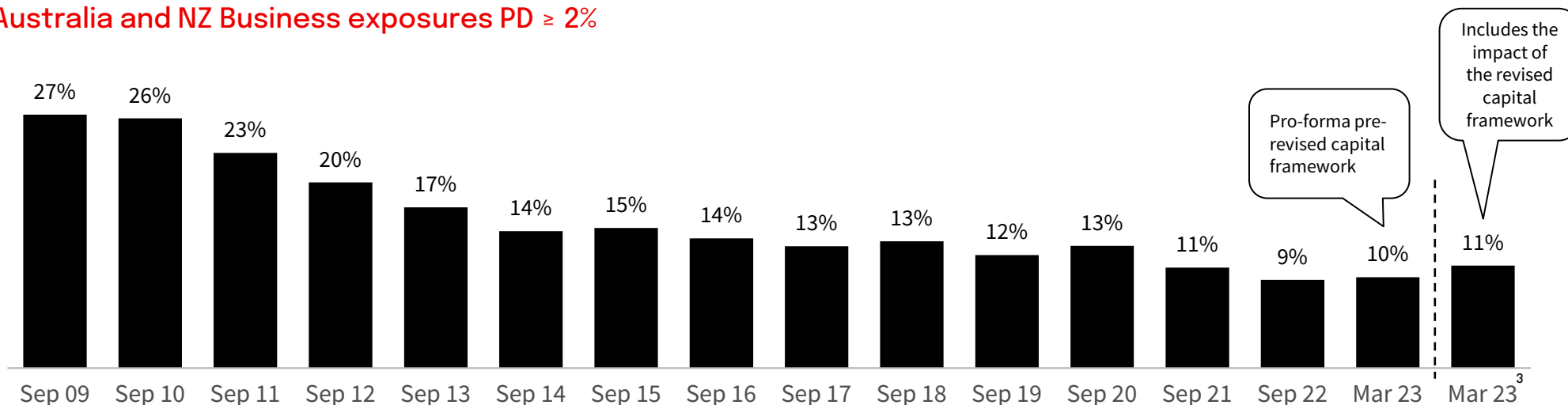
(4) Provision coverage: provisions as a percentage of loans and advances including contingent liabilities and credit-related commitments

# Probability of default (PD) analysis

## Non-retail IRB EAD<sup>1</sup> by probability of default <sup>2,3</sup>



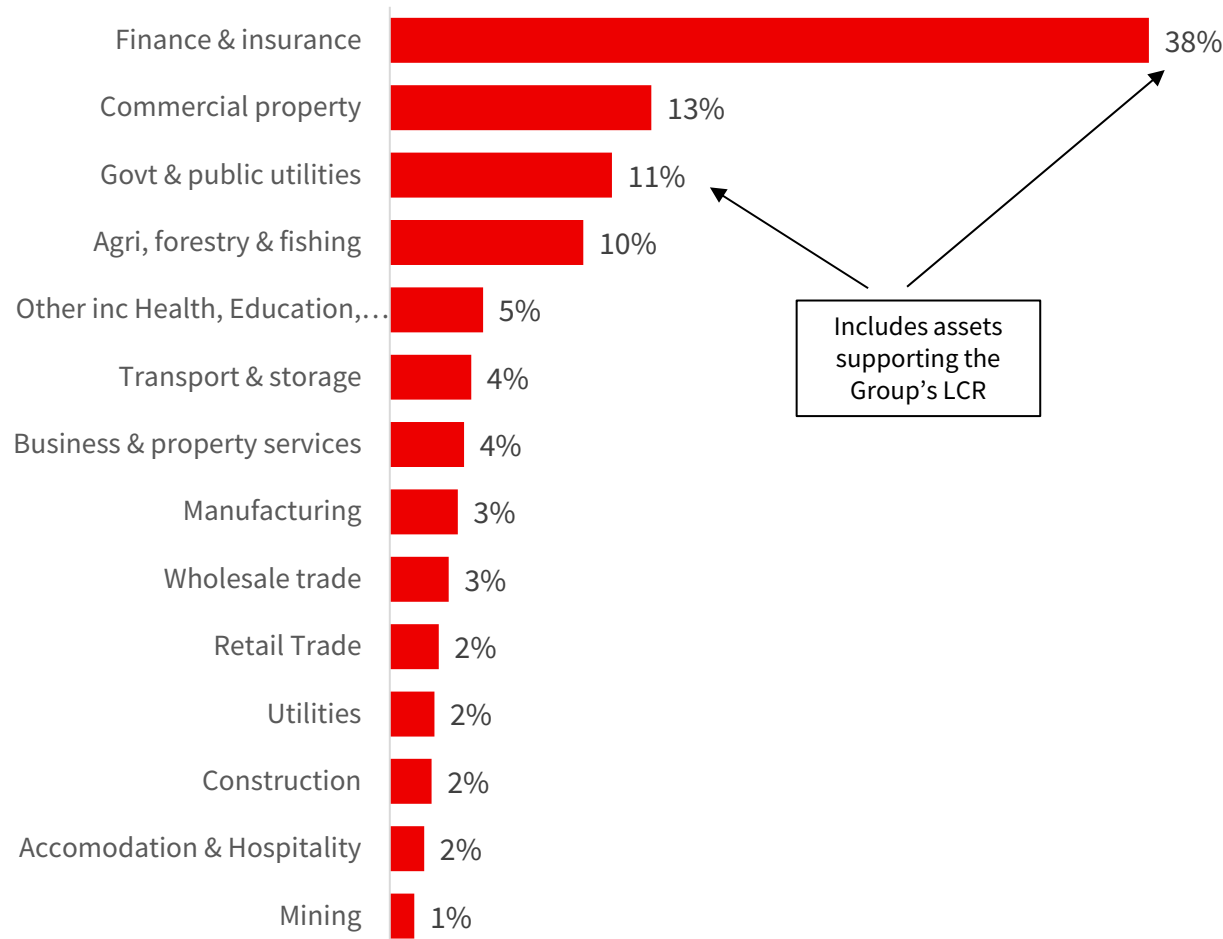
## Australia and NZ Business exposures PD ≥ 2%



(1) For internal ratings based portfolios. Total \$573bn at March 2023, \$561bn at September 2022, \$536bn at March 2022 and \$505bn at September 2021  
 (2) March 2023 Non-retail IRB EAD includes the impact of exposures being reflected under different asset classes as a result of the implementation of the revised capital framework from 1 January 2023. This includes a change to income-producing real estate exposures which were previously classified as specialised lending exposures and are now subject to the IRB approach. This change resulted in an increase of \$62bn in exposures subject to the IRB approach  
 (3) March 2023 includes the impact of changes to the calculation of EAD as a result of the implementation of the revised capital framework from 1 January 2023

# Non retail industry sector analysis

## Non retail EAD by industry<sup>1,2</sup> - \$615bn



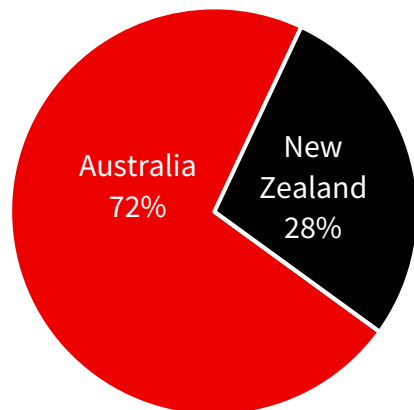
% of 90+ DPD and GIA		
Mar 22	Sep 22	Mar 23
0.02%	0.02%	0.02%
0.33%	0.30%	0.26%
0.00%	0.00%	0.00%
0.47%	0.57%	0.87%
0.39%	0.42%	0.48%
0.53%	0.53%	0.46%
0.88%	0.83%	0.93%
0.65%	0.49%	0.60%
0.25%	0.25%	0.33%
0.99%	0.78%	0.88%
0.01%	0.01%	0.21%
1.07%	1.14%	1.15%
1.07%	0.78%	0.83%
0.13%	0.47%	0.73%
<b>Total</b>	<b>0.26%</b>	<b>0.31%</b>

(1) Industry classifications are aligned to those disclosed in the 31 March 2023 Pillar 3 report – Table 4.1D. Non retail EAD shown excludes non-lending assets

(2) March 2023 includes the impact of changes to the calculation of EAD as a result of the implementation of the revised capital framework from 1 January 2023. Non retail EAD shown excludes non-lending assets

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

Group EAD \$59.2bn March 2023

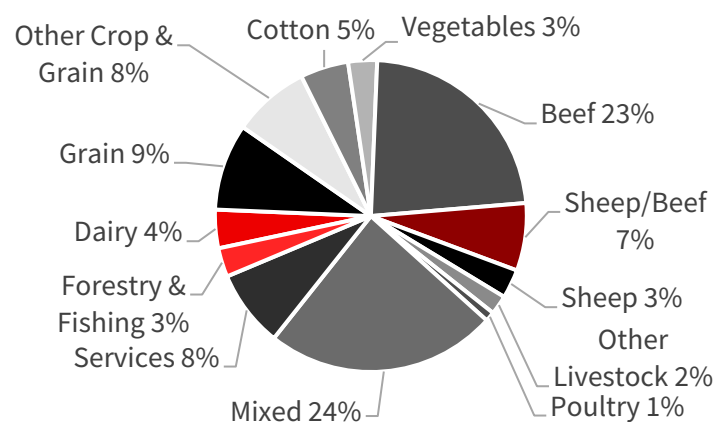


## Key considerations

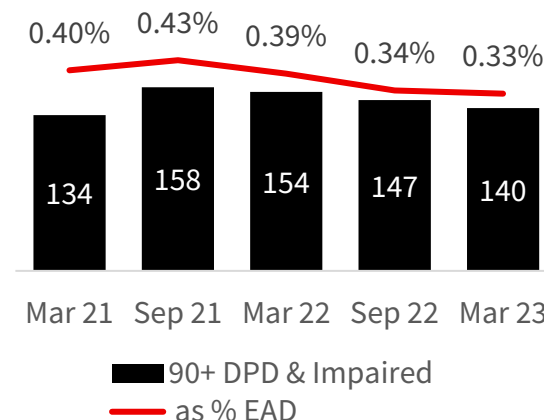
- Sector outlook is broadly positive (albeit with increasing volatility) in terms of main agricultural commodity prices, but headwinds exist in terms of elevated energy and fertiliser costs, labour shortages and rising interest rates
- Australian flood events of 2022 continue to impact supply chain logistics and some individual businesses, but winter grain harvest has been much better than originally anticipated
- A number of customers in New Zealand have been affected by recent severe weather events, including a portion that have been restructured during 1H23
- ~10% non retail EAD

## Australian Agriculture, Forestry & Fishing

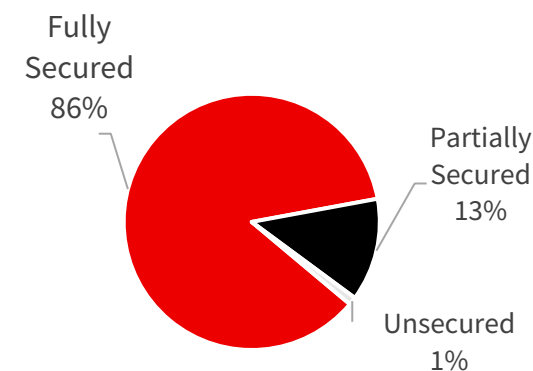
Diverse Portfolio EAD \$42.9bn Mar 23



## 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

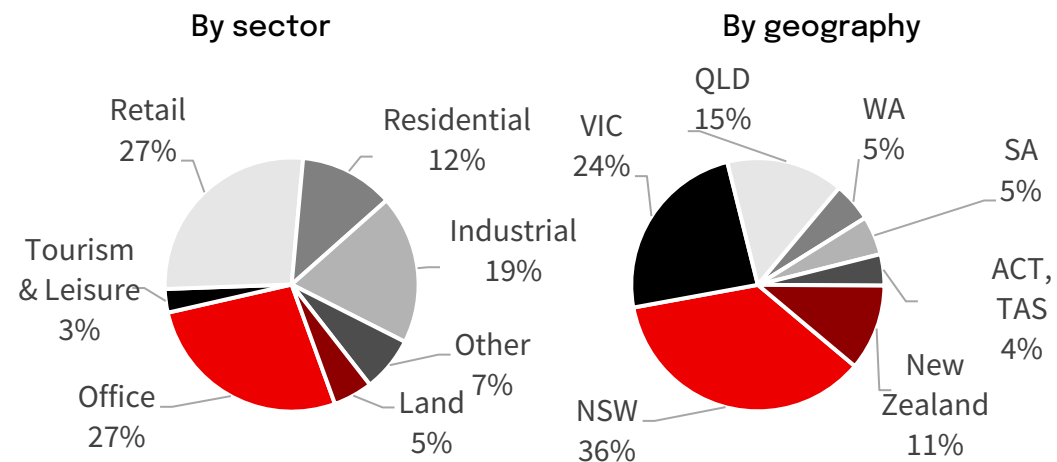
(2) Fully Secured is where the loan amount is less than 100% of the bank extended value of security; Partially Secured is where the loan amount is greater than 100% of the bank extended value of security; Unsecured is where no security is held and/or no value held against the security and negative pledge 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>

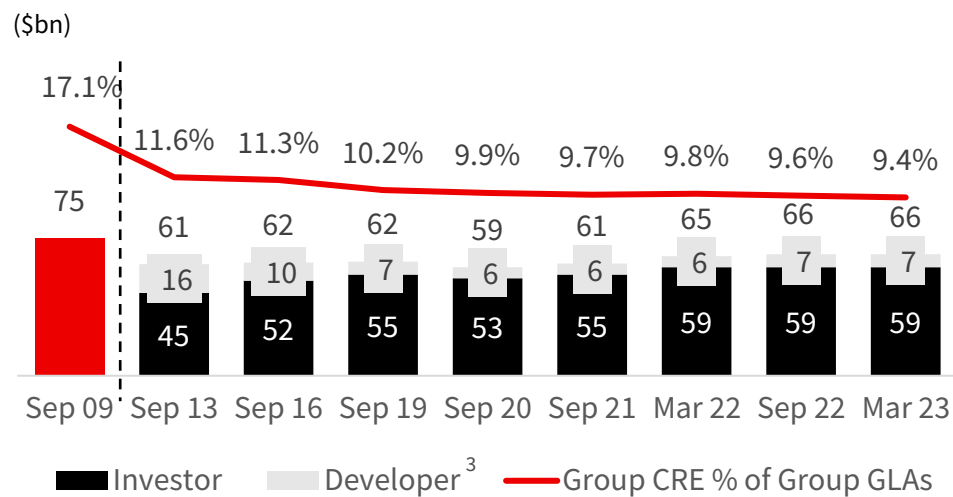
## Gross loans & acceptances (GLAs)

	Aust	New Zealand	Total <sup>2</sup>
Total CRE (A\$bn)	58.8	7.3	66.1
Increase/(decrease) from Sep 22 (A\$bn)	0.1	0.2	0.2
% of geographical GLAs	10.0%	7.7%	9.4%
Change in % from Sep 22	(0.2%)	(0.4)	(0.2%)

## Breakdown by total GLAs (\$66.1bn)



## Balances over time



## Change in balances Sep 22 – Mar 23

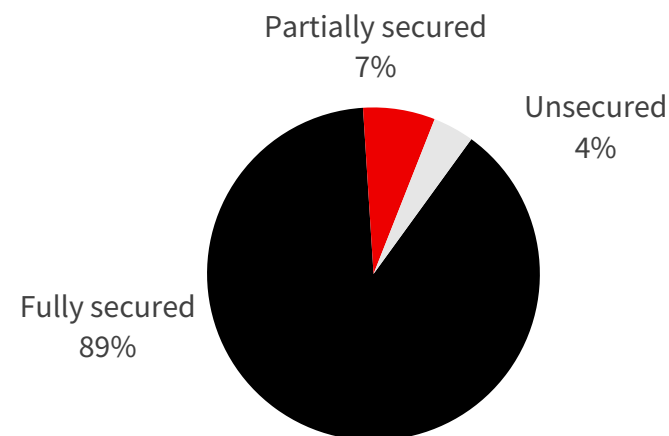


(1) Measured as balance outstanding as at 31 March 2023 per APRA Commercial Property ARF 230 definitions  
 (2) Includes overseas offices not separately disclosed  
 (3) Developer at March 2023 includes \$1.2bn for land development and \$3.0bn for residential development in Australia

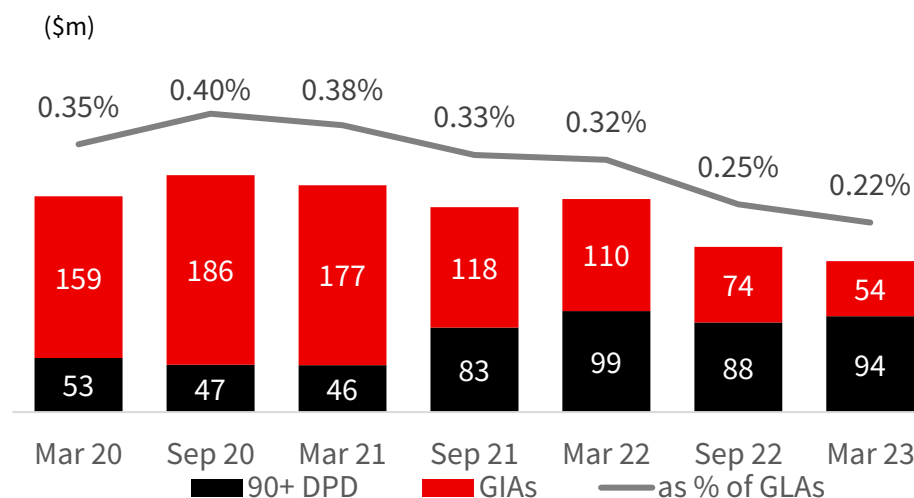
## Key asset quality considerations

- Market participants continue to seek more stabilised conditions to reassess investment opportunities and development starts
- In response to the higher interest rate environment more recent deals have generally seen Interest Cover Ratios trend downwards, although deleveraging and the pledging of additional income sources is being evidenced in some cases
- NAB continues to make serviceability assessments factoring in forecast interest rate movements
- 90+ DPD and Impaired rate continues to trend lower
- 89% of CRE balances are fully secured<sup>2</sup>; unsecured volumes largely represent Institutional investment grade exposures
- CRE development portfolio broadly unimpacted by builder insolvency or settlement issues
- Office occupancy continues its post-COVID-19 recovery with Australian office and labour market fundamentals significantly stronger than other markets
- Discretionary income exposed assets are of continued focus, as the impact of higher interest rates feeds into consumption expenditure
- Provisioning includes \$166m target sector FLA

## Group CRE Security Profile<sup>2</sup>



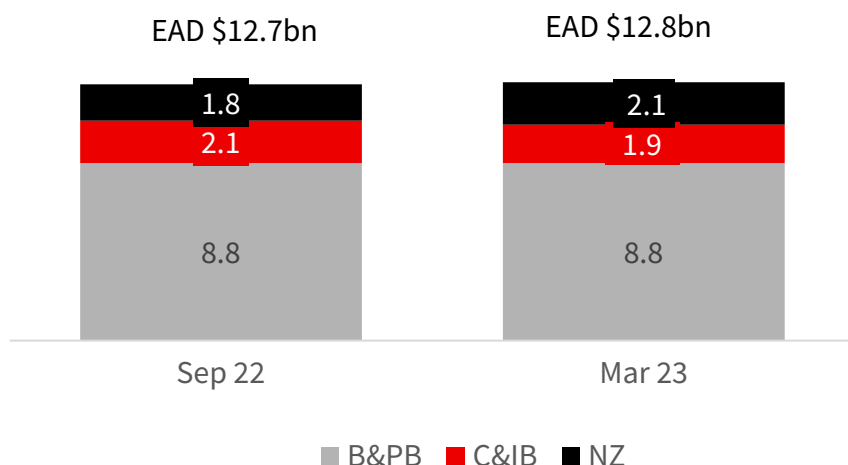
## 90+ DPD and GIAs and as % GLAs



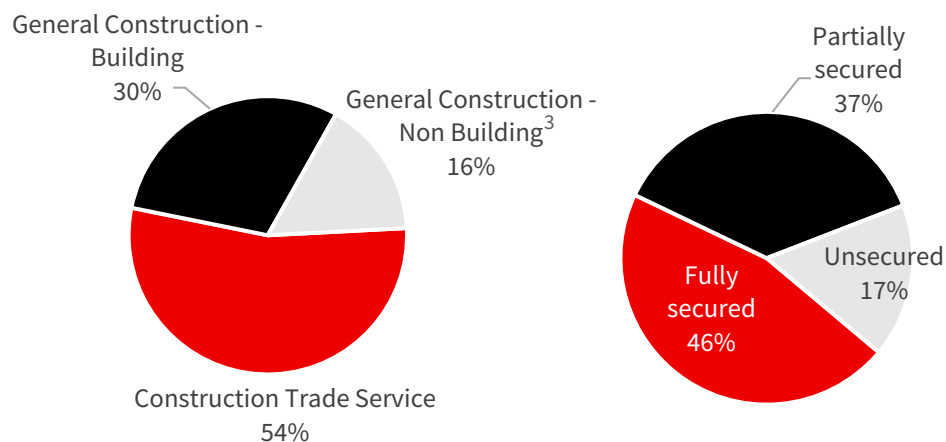
(1) Measured as balance outstanding as at 31 March 2023 per APRA Commercial Property ARF 230 definitions

(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

## Exposure at default



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

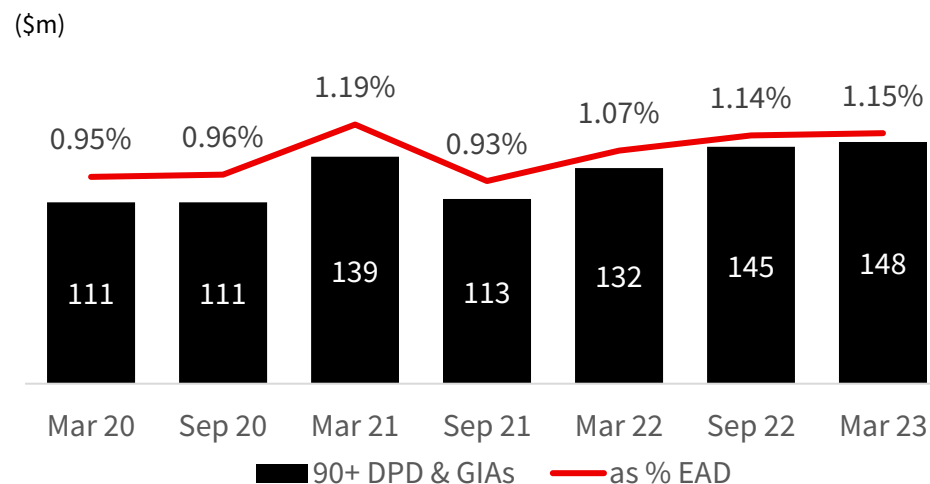


## Key considerations

- Elevated shipping costs and supply chain issues are starting to moderate; labour shortages and costs remain a challenge
- ~2% non retail EAD including subcontractors and construction services
- Highly diversified and secured portfolio
- Provisioning includes \$52m target sector FLA
- >50% of C&IB exposures are contingent facilities e.g. performance guarantees

Australian Construction	B&PB	C&IB	Total
EAD (\$bn)	8.8	1.9	10.7
# customers	~26k	~300	~26k
% Fully or Partially Secured	94%	48%	83%

## 90+ DPD and GIAs and as % of sector EAD



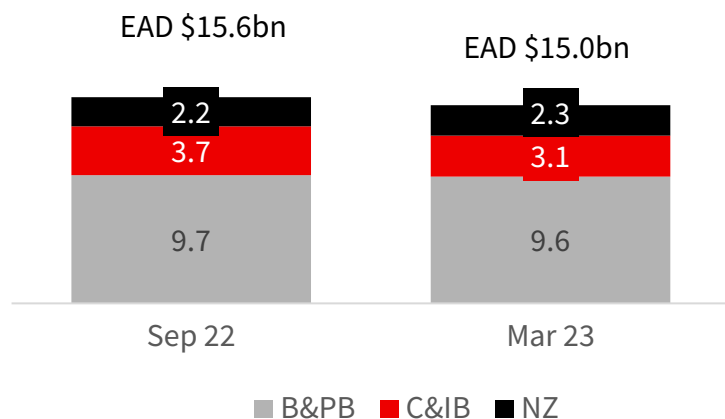
(1) Based on ANZSIC Level 1 classifications of the counterparty to which the Group is exposed to credit risk, including guarantors and derivative counterparties

(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



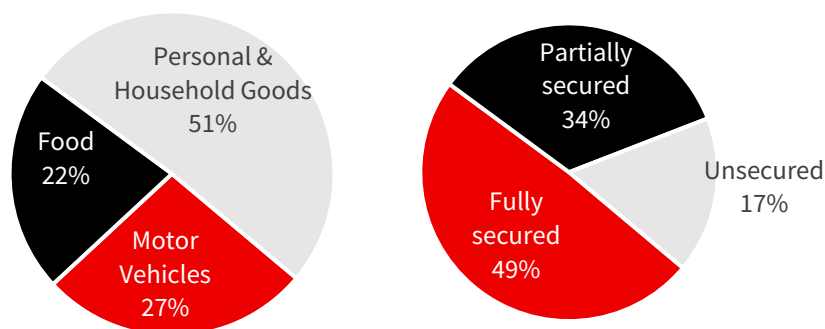
## Exposure at default



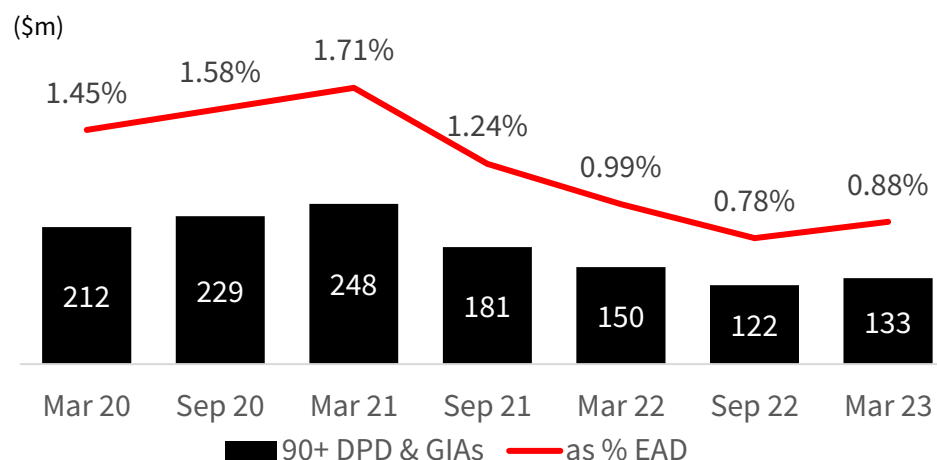
## Key considerations

- Consumption and spending on retail trade has generally been resilient to date, though growth has slowed recently
- Higher official interest rates are likely to put pressure on disposable income and lead to reduced spending, with the main impact on consumption growth expected across 2023
- Trends associated with pent-up demand and high consumer savings rates post COVID-19 now appear to be moderating
- While spending on goods appears to be slowing, spending directed towards services continues to recover
- Provisioning includes \$67m target sector FLA
- ~2% non retail EAD

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



## 90+ DPD and GIAs and as % of sector EAD

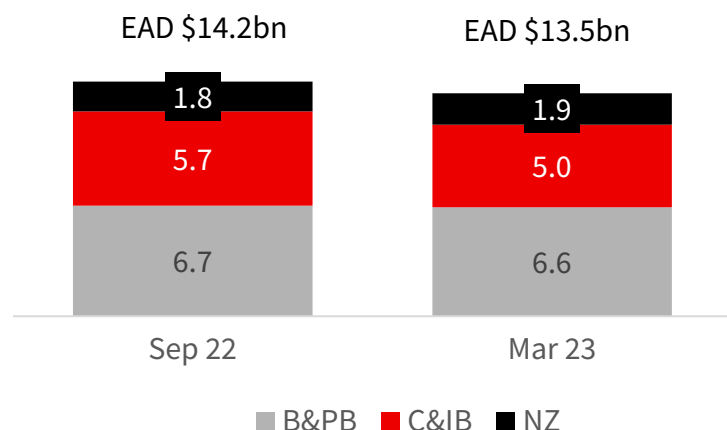


(1) Based on ANZSIC Level 1 classifications of the counterparty to which the Group is exposed to credit risk, including guarantors and derivative counterparties. Discretionary / Non-discretionary Retail Trade determined at an individual ANZSIC code level

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

# Tourism, hospitality and entertainment<sup>1</sup>

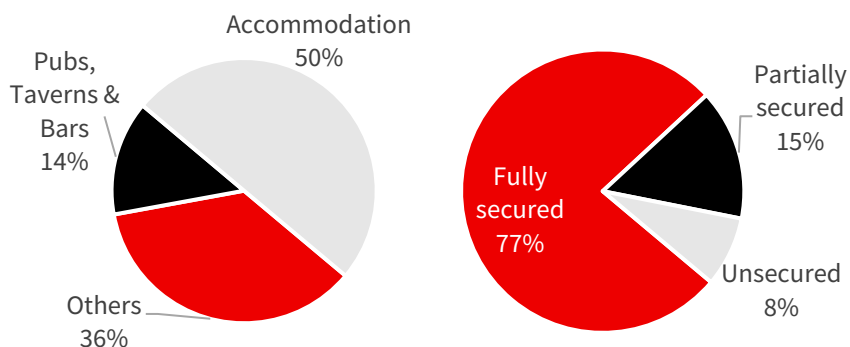
## Exposure at default



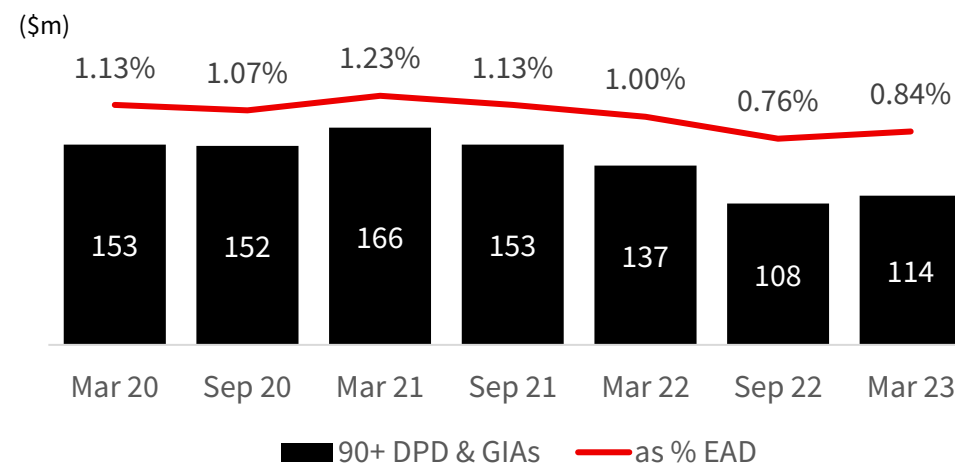
## Key considerations

- Industry data suggests performance for Tourism and Entertainment remains robust, notwithstanding wage/electricity cost increases
- Consumer confidence, discretionary spending, higher cost of living and increased interest rates not immediately reflected in current performance, but are likely to influence longer term outlook
- ~2% of non retail EAD
- Provisioning includes \$70m target sector FLA

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



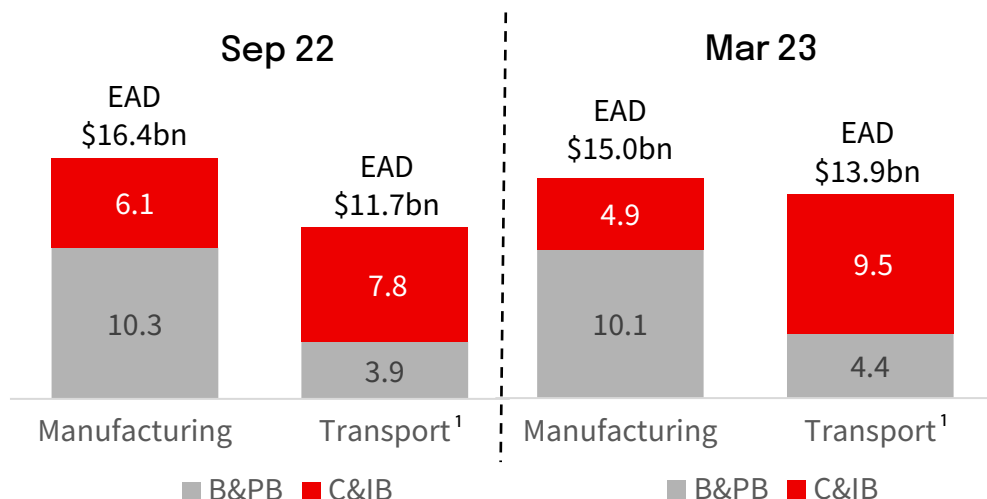
## 90+ DPD and GIAs and as % of sector EAD



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

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

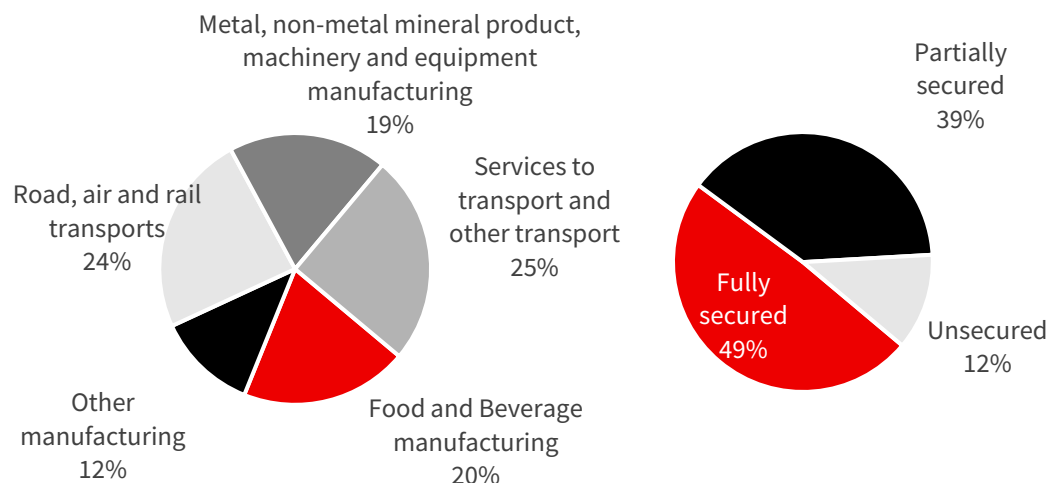
## Exposure at default



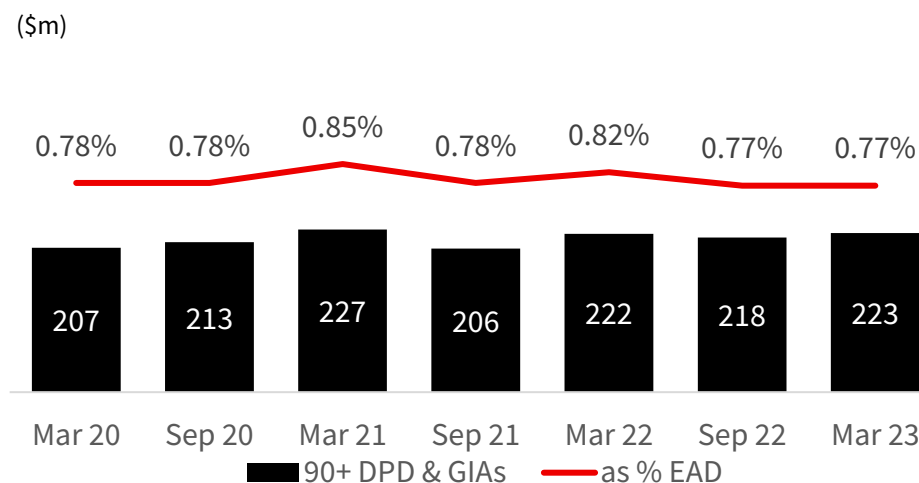
## Key considerations

- While the outlook for domestic energy prices remains elevated, it is lower than that forecast in September 2022, driven by Federal Government Policy intervention in December 2022 and the global easing of prices
- Manufacturing and Transport are expected to be disproportionately impacted by elevated energy costs due to their high energy consumption
- Provisioning includes \$41m of target sector FLA
- ~5% of non retail EAD

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



## 90+ DPD and GIAs and as % of sector EAD

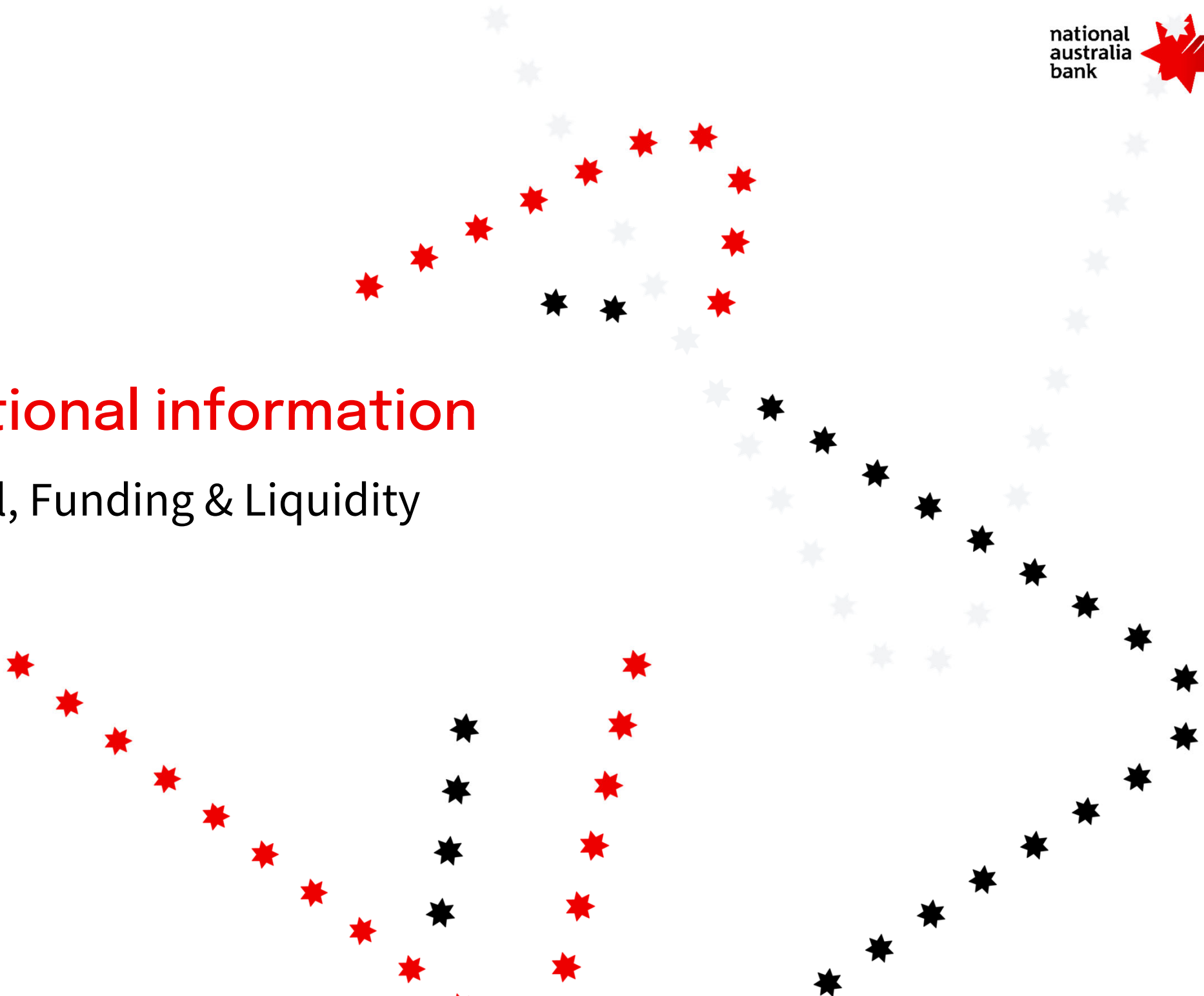


(1) Australian energy includes ANZSIC Level 1 classifications of Manufacturing and Transport due to high energy consumption, based on the counterparty to which the Group is exposed to credit risk, including guarantors and derivative counterparties. EAD is shown for the Australian geographical area, based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

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

# Additional information

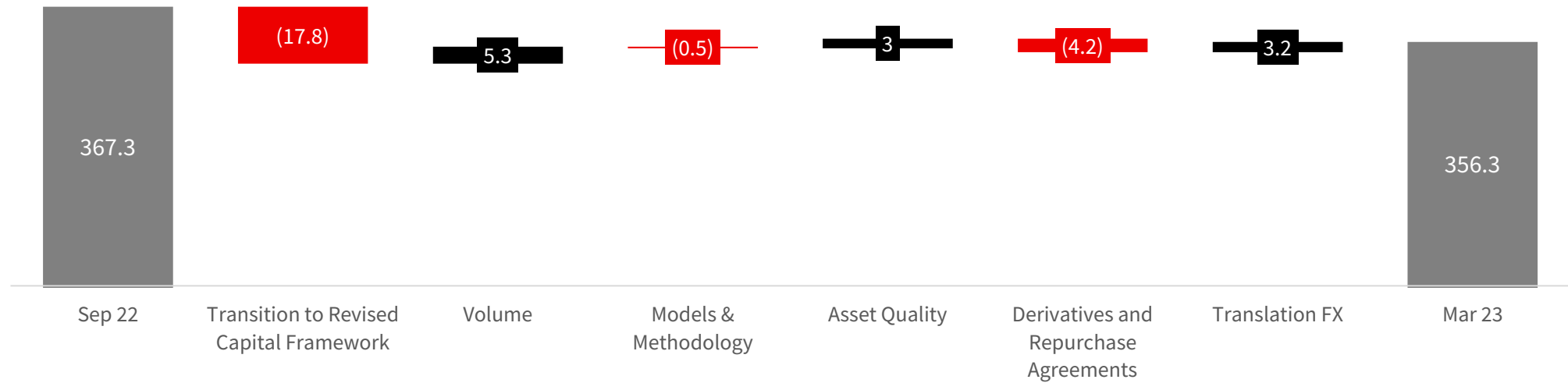
Capital, Funding & Liquidity



# Credit risk-weighted assets

## Credit risk-weighted assets

(\$bn)



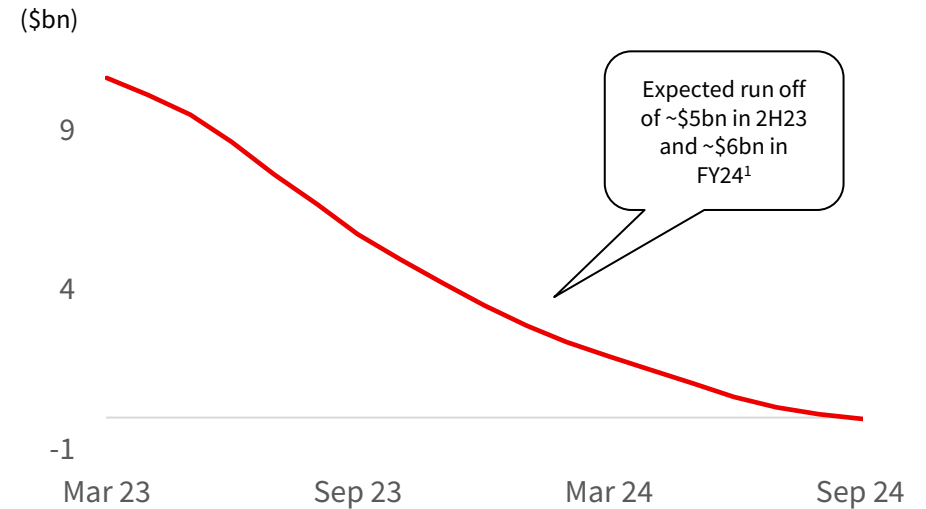
# IRRBB risk-weighted assets

## Key messages

- The Investment Term of Capital (IToC) smooths the impact of interest rate volatility on NAB's NIM and earnings profile. NAB currently applies a 3 year IToC
- IRRBB regulatory capital is calculated based on comparison to a 1 year investment term
- Swap rate increases have created a \$10bn RWA requirement related to embedded losses (~25bps of CET1 based on Mar 23 ratio)
- Embedded loss RWA expected to largely unwind over the next 18 months based on current market pricing
- Repricing and yield curve RWA expected to remain reasonably steady as the market stabilises

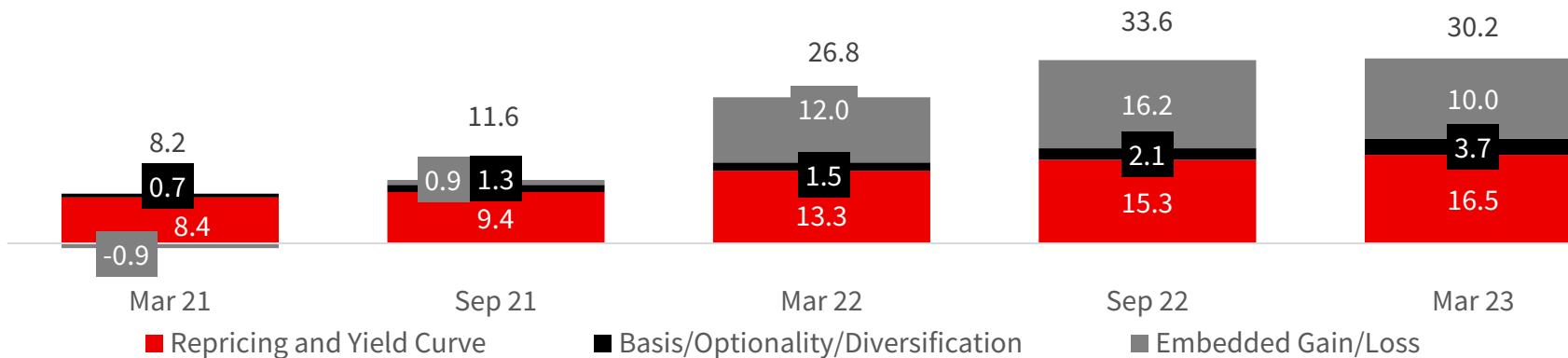
## Embedded Gain/Loss RWA Run off profile

(Based on yield curves as at 31 Mar 23)



## IRRBB risk-weighted assets

(\$bn)



Embedded loss component expected to largely unwind over next 18 months (~25bps of CET1) based on current market pricing

Key Sensitivity for Embedded gains/loss:  
+/- 10bps swap rates = \$0.5bn IRRBB RWA

(1) Refer to key risks, qualifications and assumptions in relation to forward looking statements on page 128

# Capital & Deposit hedges

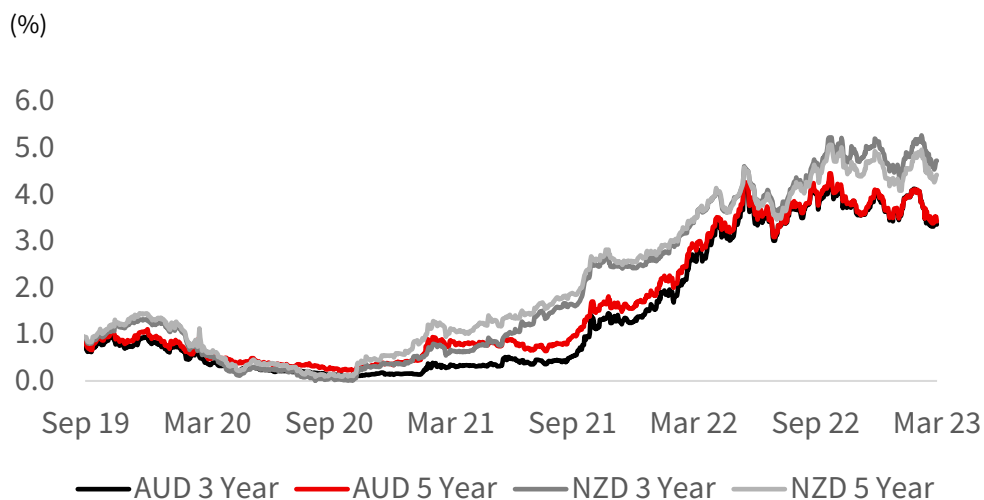
## NAB replicating portfolios

Replicating portfolio		
	31 Mar 23 balance	Invested out to term of
Capital	AUD \$42bn	3 years
Low rate deposits	AUD \$78bn	5 years

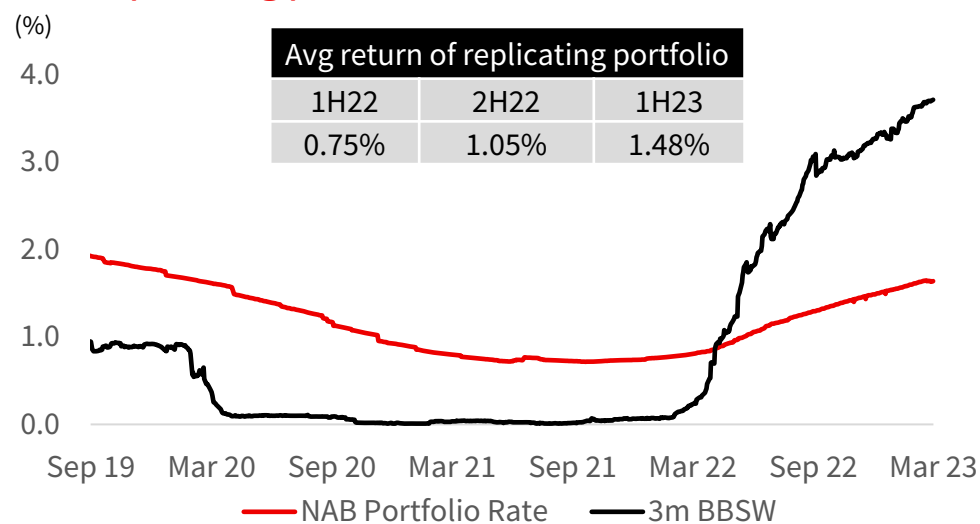
## BNZ replicating portfolios

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

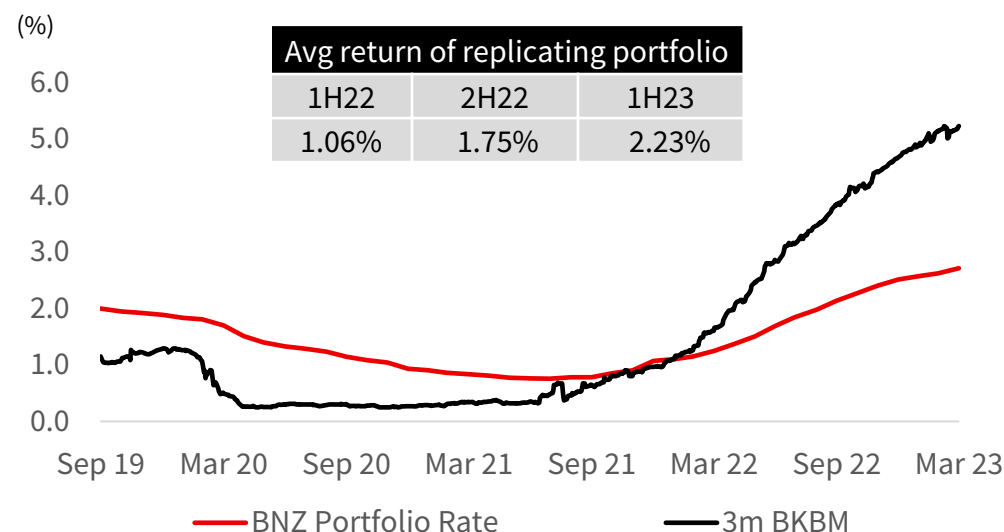
## Swap rates<sup>2</sup>



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



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



(1) Blended replicating portfolio (Australia only). Replicating portfolio includes capital, non-interest bearing and rate insensitive deposits

(2) AUD Swap Rates sourced from Bloomberg and NZD Swap Rates sourced from Reuters

(3) Blended replicating portfolio (New Zealand only). Replicating portfolio includes capital, non-interest bearing and rate insensitive deposits

# Transition to the Revised Capital Framework

Migration to revised capital framework reduced credit RWA by \$17.8bn (or +47bps of CET1)

## Mortgages

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

## ‘Other’ RWA changes

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

## Income Producing Real Estate (IPRE) and Corporate Lending

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

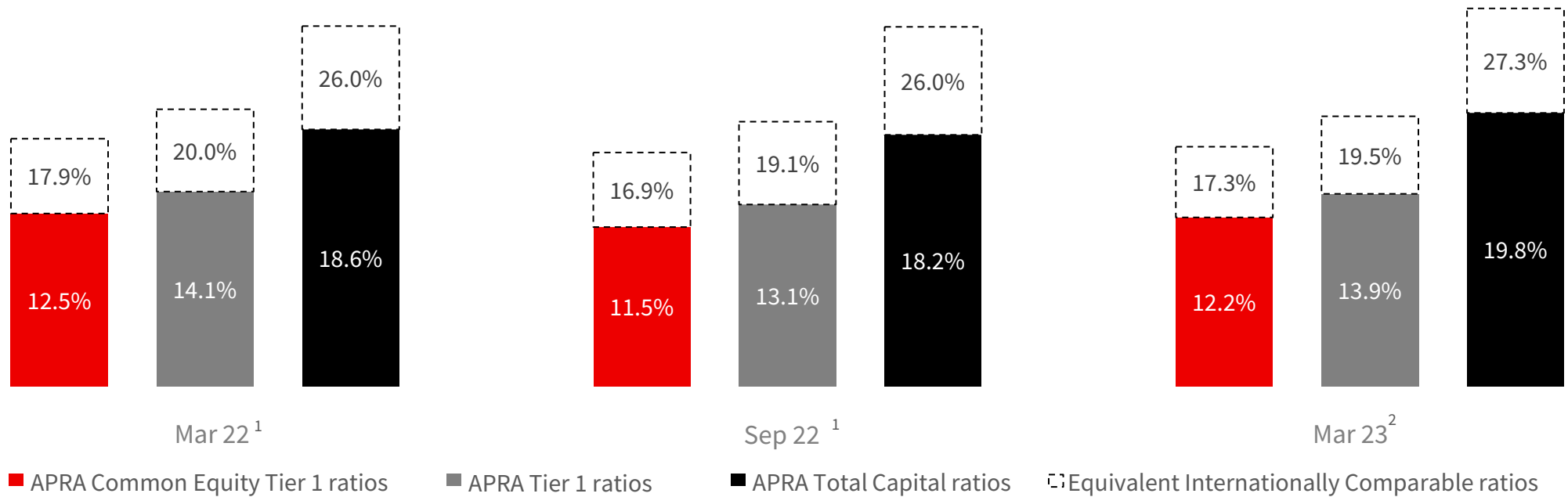
## New Zealand

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

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



# Key Adjustments for Internationally Comparable Ratio



APRA to Internationally comparable CET1 ratio reconciliation		CET1 %
<b>APRA CET1 ratio</b>		<b>12.2%</b>
Deferred tax assets, capitalised expenses and equity exposures below prescribed thresholds are risk weighted under the Basel framework, compared to being deducted in full from CET1 capital under APRA requirements		+0.7%
APRA requirement for Interest Rate Risk in the Banking Book (IRRBB) risk-weighted assets not in the Basel framework		+1.2%
APRA requirements for residential mortgages not in the Basel framework (i.e. APRA multipliers of 1.4, 1.7 or 2.5 and standardised treatment for non-standard mortgages)		+1.2%
APRA internal ratings-based approach scaling factor of 1.1 from exposures of the Level 2 Group not in the Basel framework		+1.1%
APRA internal ratings-based approach income-producing real estate multiplier of 1.5 not in the Basel framework		+0.5%
Reserve Bank of New Zealand requirements not in the Basel framework (i.e. farm lending exposures, mortgages and specialised lending)		+0.4%
<b>Internationally comparable CET1 ratio<sup>3</sup></b>		<b>17.3%</b>

- (1) Internationally comparable methodology based on the APRA Information Paper 'International Comparison Study' (July 2015), which compares APRA's capital adequacy prudential requirements prior to the revised capital framework changes with Basel III
- (2) Internationally comparable methodology based on the Australian Banking Association publication 'Basel 3.1 Capital Comparison Study' (March 2023), which compares APRA's revised capital framework, including RBNZ prudential requirements, with the finalised post-crisis Basel III reforms
- (3) The Internationally comparable CET1 ratio does not include the impact of the Basel capital floor. That said, RWA used in the internationally comparable capital ratios are higher than 50% of RWA under APRA's standardised methodology, where 50% is the Basel transitional capital floor that applies from 1 January 2023

# Key regulatory changes impacting capital and funding

Change	CY23	CY24	CY25	CY26
<b>Capital Adequacy (APS 110)</b>	Implemented 1 January			
<b>Credit Risk (APS 112/113)</b>	Implemented 1 January			
<b>Operational Risk (APS 115) (implemented)<sup>1</sup></b>				
<b>Market Risk (APS 116)</b>		Consult		Implementation
<b>Counterparty Credit Risk (APS 180)</b>		Consult		Implementation
<b>Interest Rate Risk in the Banking Book (APS 117)</b>	Finalise		Implementation	
<b>Liquidity (APS 210)</b>	Consult	Finalise	Implementation	
<b>Public Disclosures (APS 330)</b>			Implementation	
<b>Loss-Absorbing Capacity</b>		Implementation <sup>2</sup>		Implementation <sup>2</sup>
<b>Remuneration (CPS 511)</b>	Finalise	Implementation		
<b>Recovery and Resolution (CPG 190, CPS 900, CPG 900)</b>	Finalise	Implementation		
<b>RBNZ Capital Review</b>	Increases in capital will be phased in over a seven-year period from July 2022. Other changes will be gradually phased in by 1 July 28.			

(1) APRA has provided Advanced Measurement Approach accredited ADIs the option to apply APS 115 Capital Adequacy: Standardised Measurement Approach to Operational Risk from either 1 Jan 22 or 1 Jan 23. NAB implemented the Standardised Measurement Approach on 1 January 2022

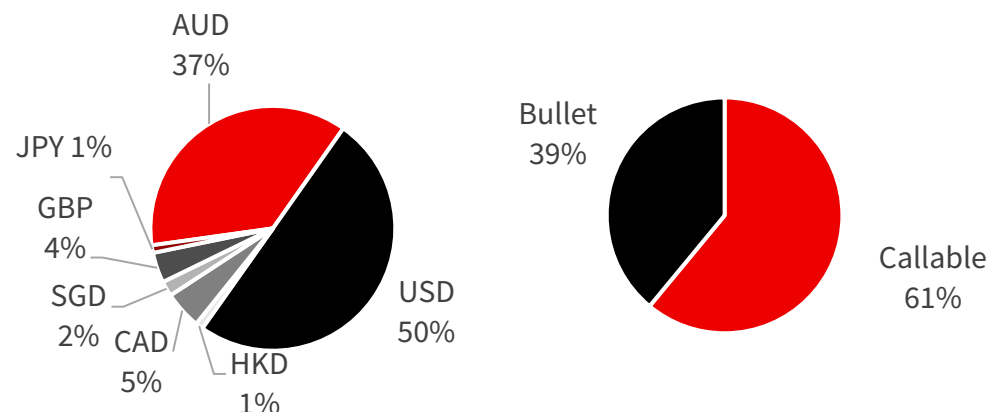
(2) In Dec 21, APRA finalised Loss-Absorbing Capacity requirements for D-SIBs, set as an increase to minimum Total Capital requirement of 4.5% of RWA from 1 Jan 26. D-SIBs are required to hold the interim setting of an increase to minimum Total Capital requirement of 3% of RWA by 1 January 2024

# Loss-absorbing capacity

- Based on the Group's RWA and Total Capital position as at 31 Mar 23, NAB has met the interim Group Total Capital requirement for Jan 24, and has an incremental \$2.8bn requirement by Jan 26
- \$4.8bn of NAB's existing Tier 2 Capital has optional redemption dates prior to Jan 26, including \$1.4bn before Jan 24<sup>1</sup>

(\$bn)	Jan 24	Jan 26
Group RWA (at Mar 23)	436.2	436.2
Tier 2 Requirement (5.0% by Jan 24, 6.5% by Jan 26) <sup>2</sup>	21.8	28.4
Existing Tier 2 at Mar 23 (5.9%)	25.6	25.6
Current Shortfall	0	2.8

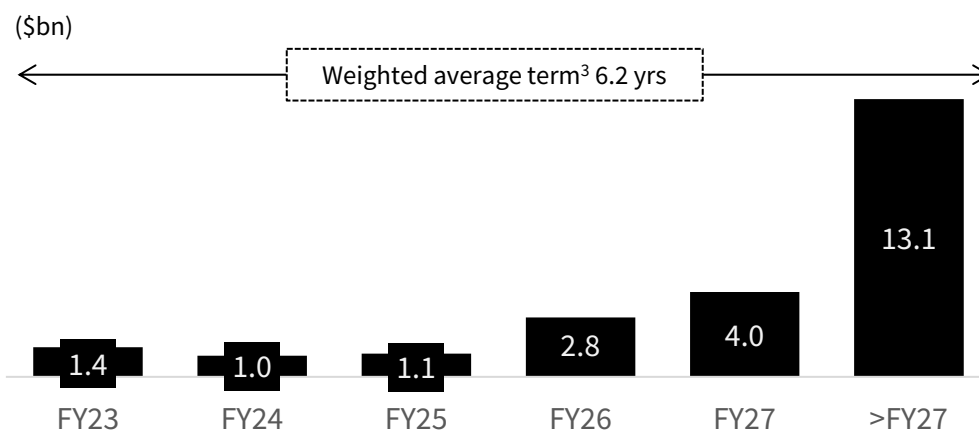
## NAB Tier 2 outstanding issuance



## APRA changes to major banks' capital structures



## NAB Tier 2 runoff<sup>2</sup>



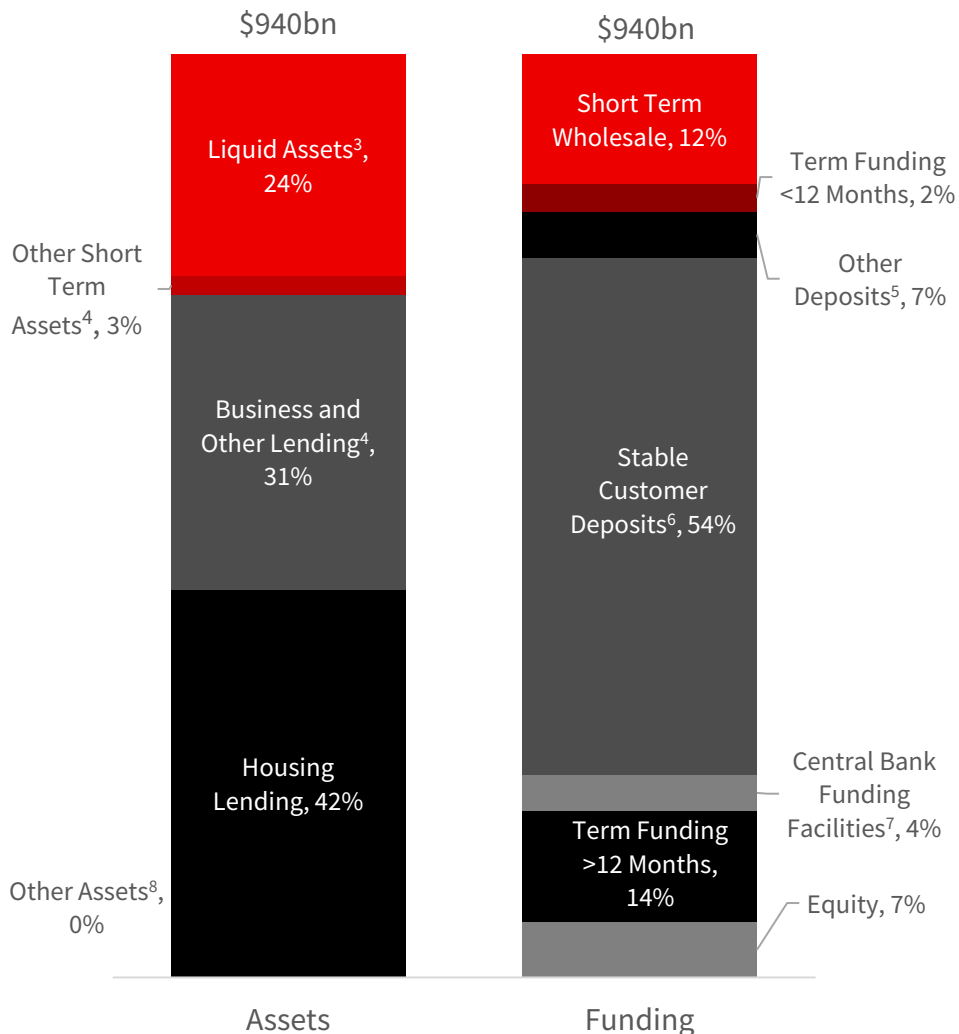
(1) Any early redemption would be subject to prior written approval from APRA (which may or may not be provided)

(2) Based on remaining term to maturity (adjusted for any capital amortisation) or to first optional call date (subject to APRA approval)

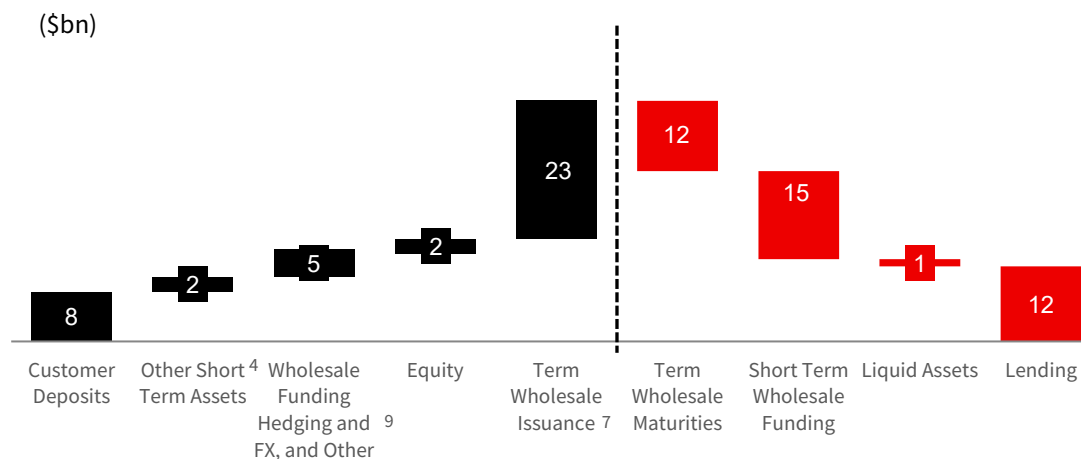
(3) Based on capital value, including adjustments for any capital amortisation

# Asset Funding<sup>1</sup>

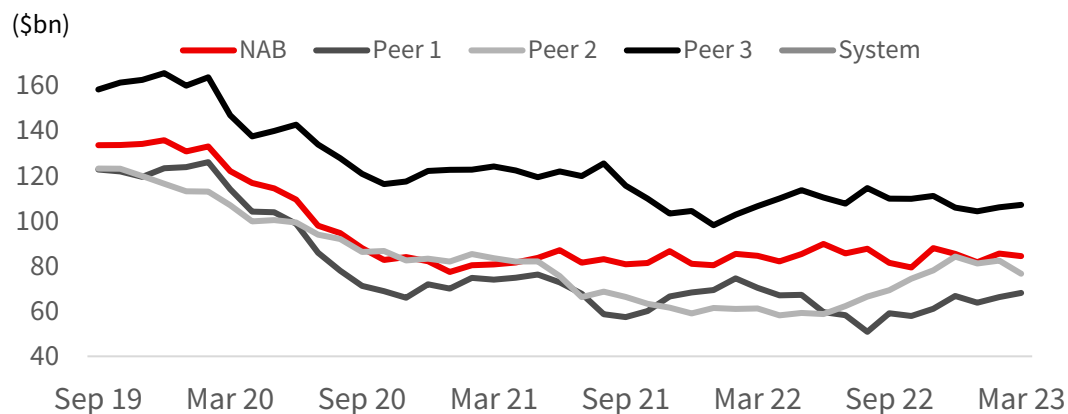
## Funded balance sheet<sup>2</sup>



## Group source and uses of funds, 6 months to 31 March 2023



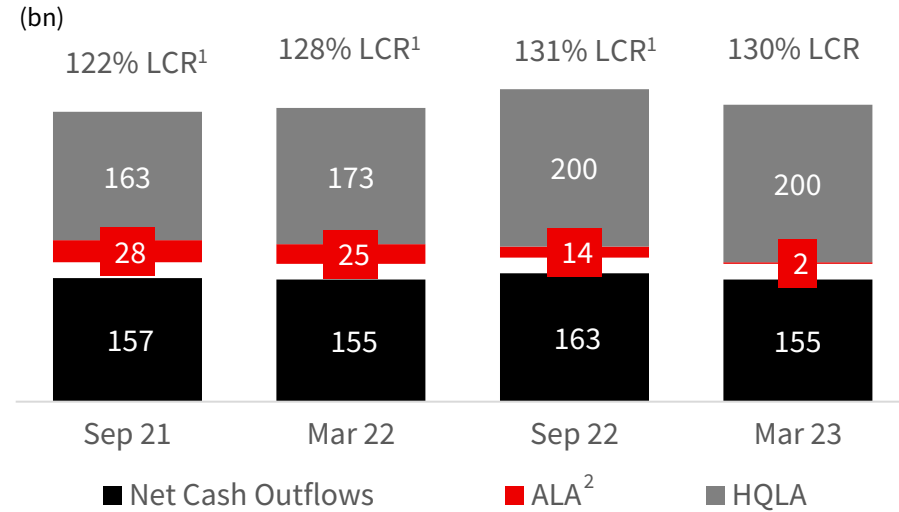
## Australian core funding gap<sup>10,11</sup>



- (1) All charts include Citi Consumer Business acquisition
- (2) Excludes repurchase agreements as they do not provide net funding
- (3) Liquid asset securities are measured at fair value with valuation changes recognised immediately through profit or loss or other comprehensive income
- (4) Trade finance loans are included in other short-term assets, instead of business and other lending
- (5) Includes non-operational financial institution deposits and certain offshore deposits as defined in APRA standard APS 210 Liquidity
- (6) Includes operational deposits, non-financial corporate deposits and retail / SME deposits and excludes certain offshore deposits as defined in APRA standard APS 210 Liquidity

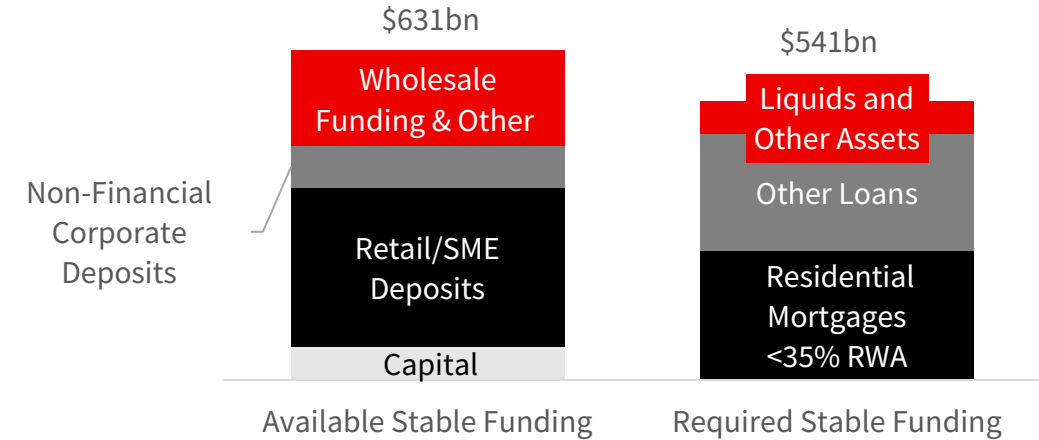
- (7) Includes RBA's TFF and RBNZ's TLF and FLP
- (8) The net position includes net derivatives, property, plant and equipment, all net of accruals, receivables and payables
- (9) Includes the net movement of other assets and other liabilities, net derivatives, term wholesale funding hedging, fair value and FX adjustments
- (10) Australian core funding gap = Gross loans and advances plus Acceptances less Total deposits (excluding certificates of deposit)
- (11) Statistics as at March 2023

## Liquidity coverage ratio (quarterly average)

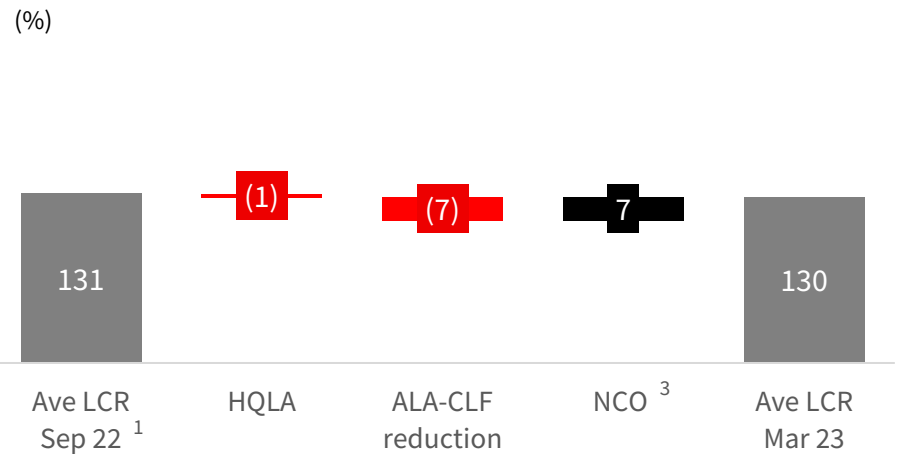


## Net stable funding ratio composition

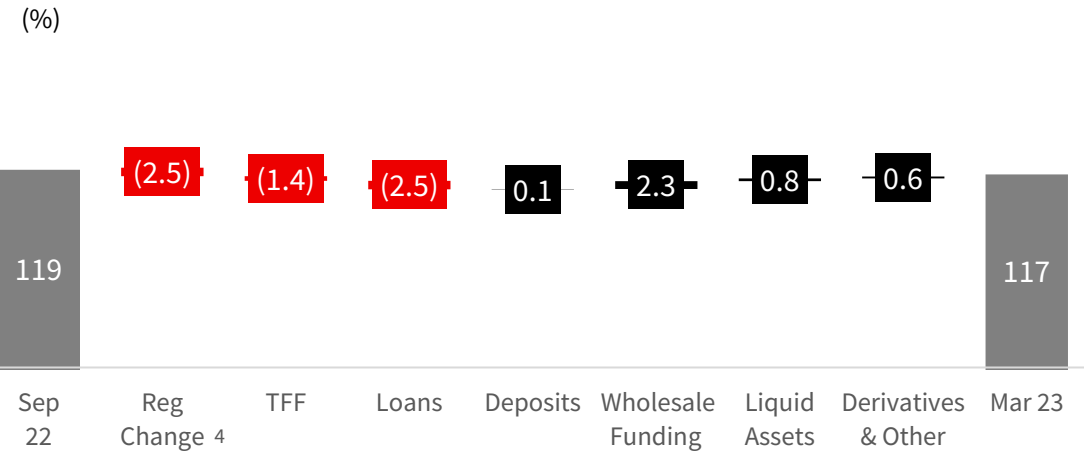
Group NSFR 117% as at 31 Mar 23



## Liquidity coverage ratio movement

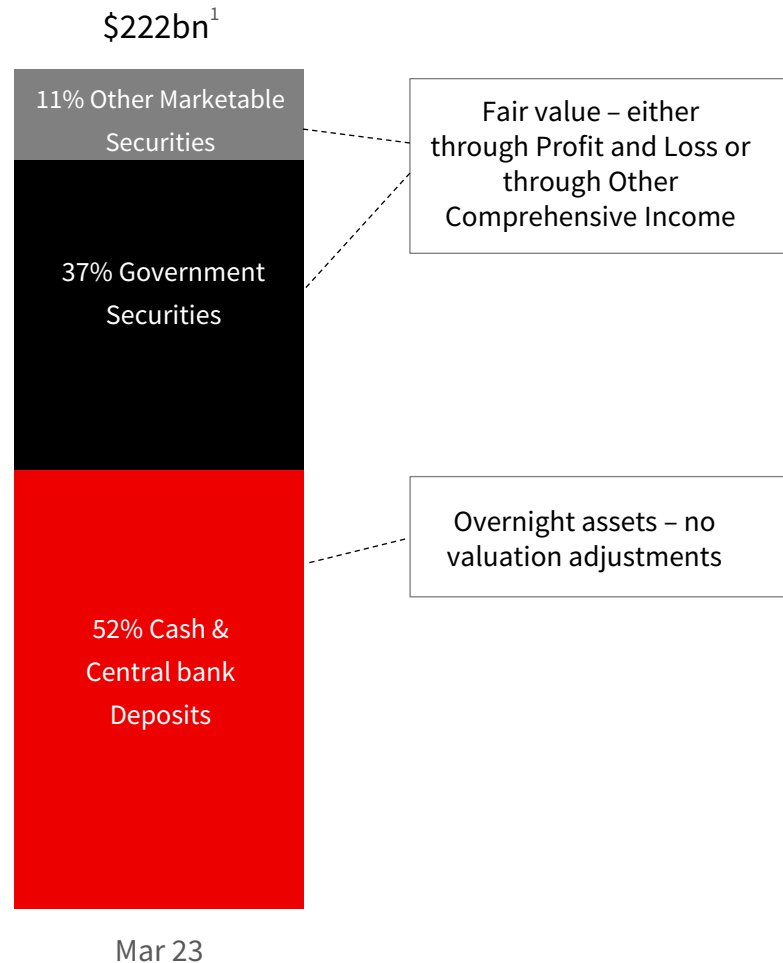


## Net stable funding ratio movement



(1) Average LCR for the three months ended 30 September 2021, 31 March 2022 and 30 September 2022 has been restated from that previously disclosed. Details of the restatement are outlined in the Appendix of First Quarter Pillar 3 Report 2023  
 (2) Alternative Liquid Assets (ALA). CLF and TFF values used in LCR calculation are the undrawn portion of the facility  
 (3) The decrease in average net cash outflows was largely due to a reduction in modelled downgrade related cash outflows on self-securitisation exposures following changes to the timing of payments required in the event of a downgrade  
 (4) Impacts include final reduction in CLF along with the impacts of the revised capital framework and associated changes to APS 210

# Treatment of marketable securities and cash



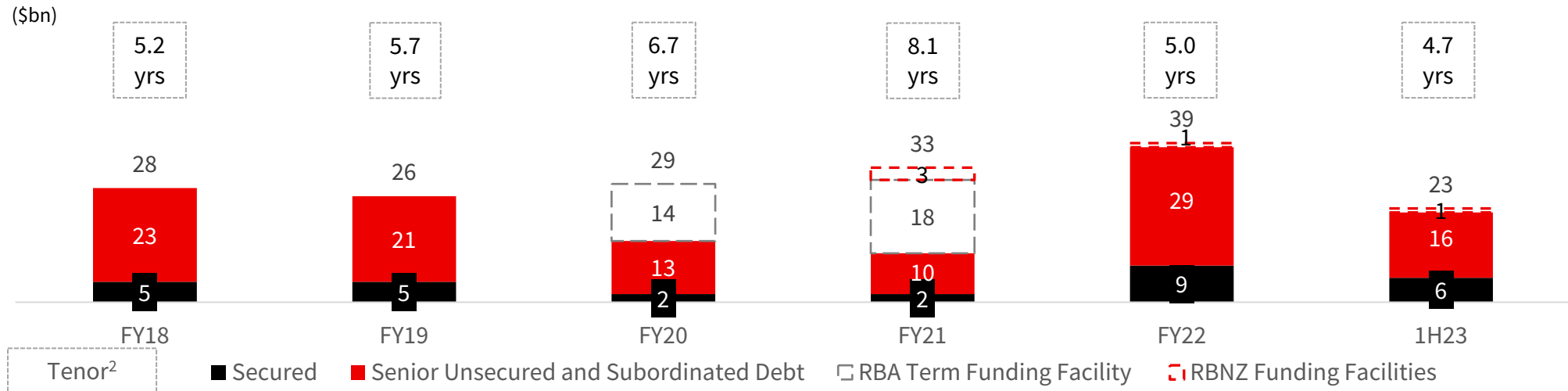
- NAB's marketable securities and cash of \$222bn are largely regulatory compliant HQLA with small holdings for customer activities
- Over half of the regulatory compliant HQLA are held in cash or overnight deposits at central banks resulting in no interest rate risk
- Marketable securities are hedged with derivatives to manage interest rate risk with any residual risk largely credit spread related
- All marketable securities and associated derivatives are:
  - Marked to market in Profit and Loss (P&L) or in Other Comprehensive Income (OCI)<sup>2</sup>
  - Recognised at fair value in regulatory capital metrics
- APRA's APS 117 Interest Rate in the Banking Book (IRRBB) standard requires additional IRRBB capital to be held against any residual interest rate exposures and credit spread risk

(1) Marketable securities and cash as per NAB's Funded Balance Sheet (refer slide 100)

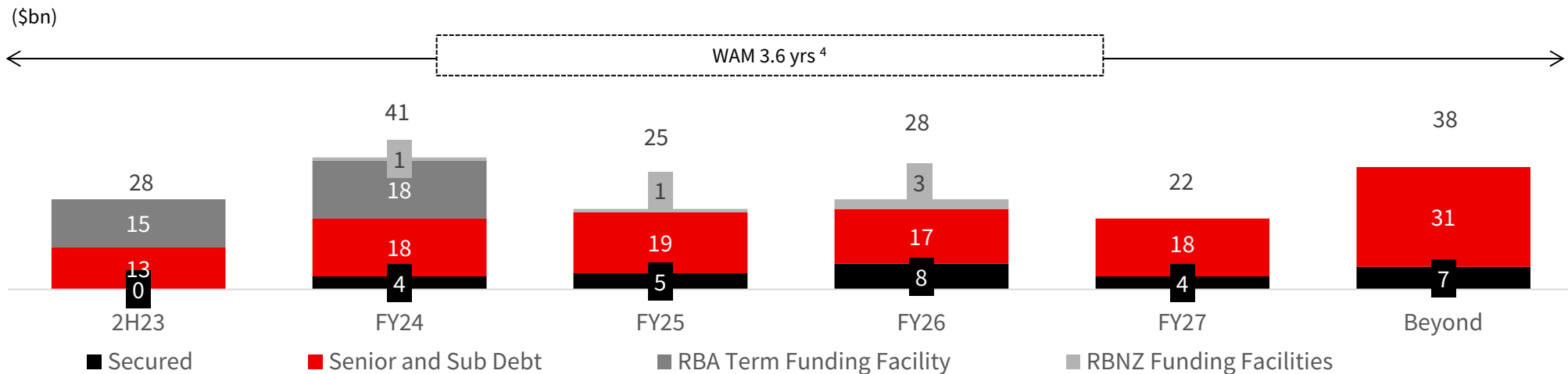
(2) Treatment is determined under NAB's Accounting Policy with trading securities measured at fair value through profit and loss and debt instruments measured at fair value through other comprehensive income

# Term wholesale funding profile

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



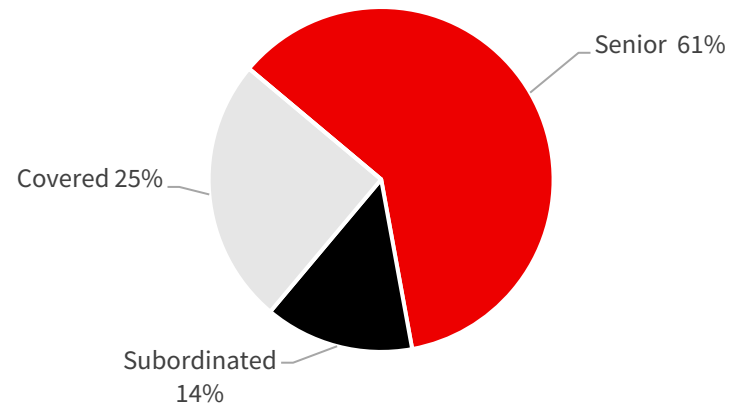
## Term funding maturity profile<sup>3</sup>



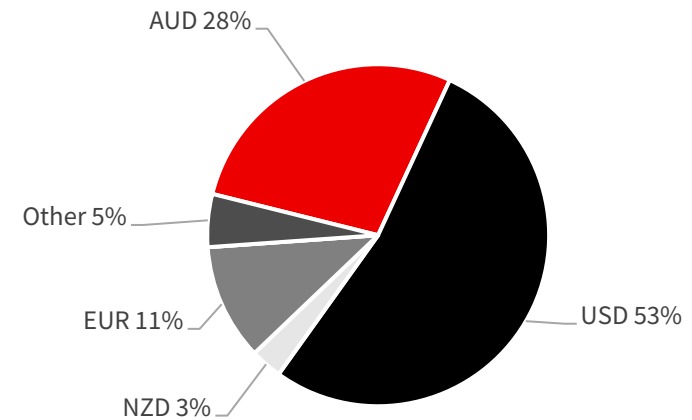
- (1) Includes senior unsecured, secured (covered bonds and RMBS) and subordinated debt with an original term to maturity or call date of greater than 12 months, excludes Additional Tier 1 instruments. FX rate measured at time of issuance
- (2) Weighted average maturity of new issuance, excludes Additional 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 31 March 2023
- (4) Remaining weighted average maturity, excludes Additional Tier 1, RMBS, RBA Term Funding Facility and RBNZ funding facilities

# Diversified & flexible term wholesale funding portfolio

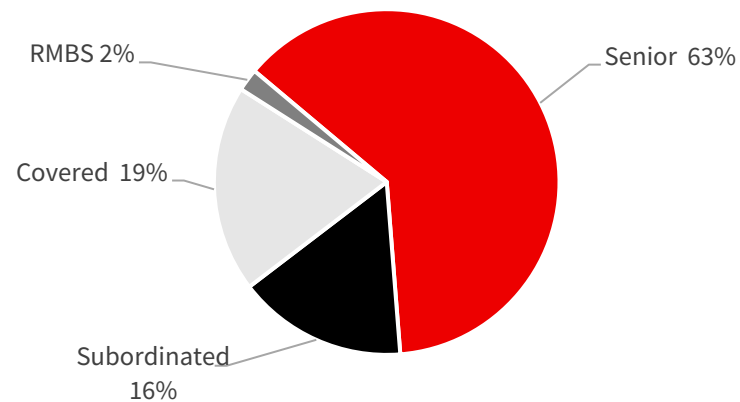
1H23 issuance by product type<sup>1</sup>



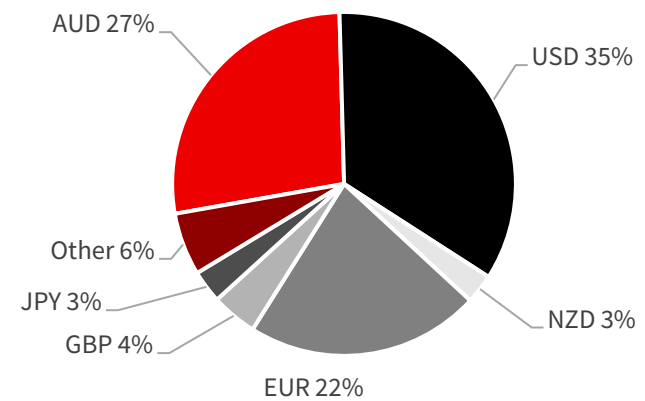
1H23 issuance by currency<sup>1</sup>



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



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



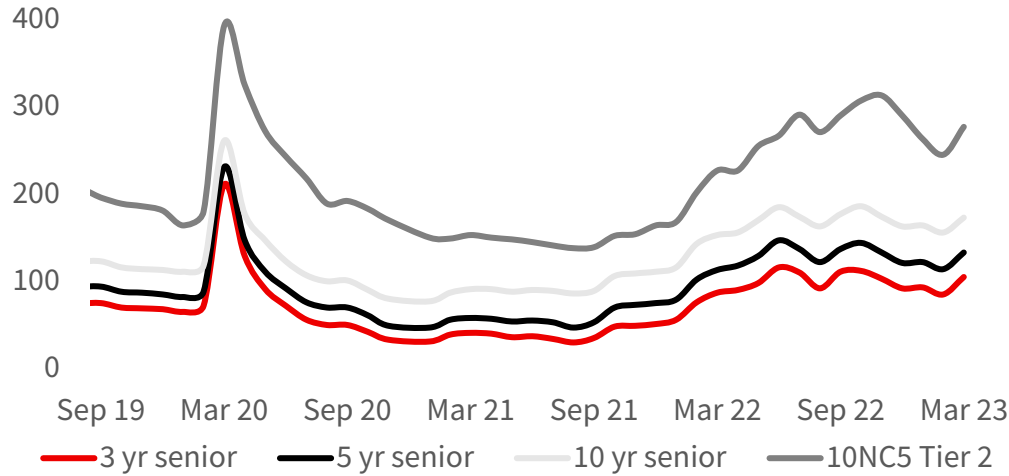
(1) Excludes Additional Tier 1, RBA Term Funding Facility and RBNZ funding facilities

(2) At 31 March 2023, NAB has utilised 35% of its covered bond capacity. Capacity based on current rating agency over collateralisation (OC) and legislative limit

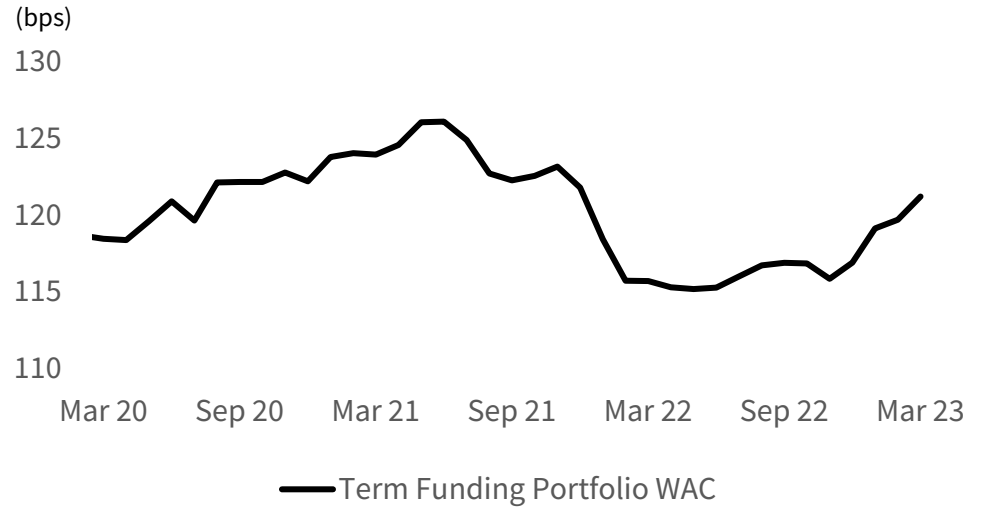


# Funding costs

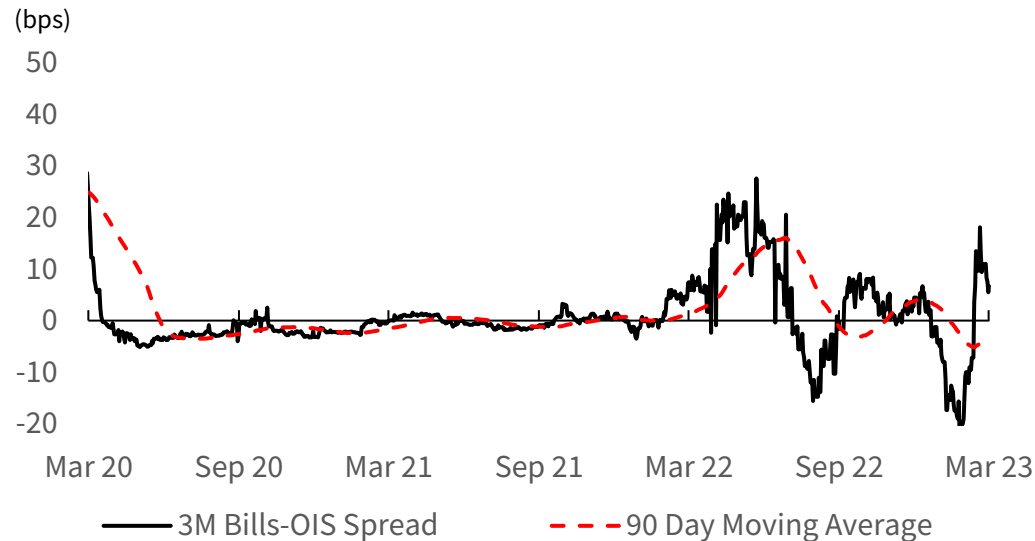
### Indicative term wholesale funding issuance costs<sup>1</sup>



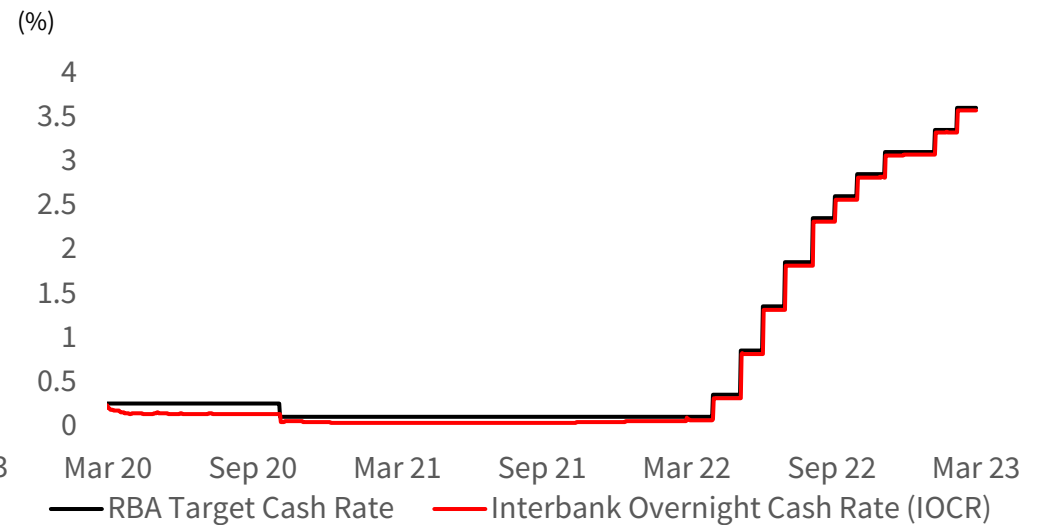
### Average term wholesale funding costs<sup>2</sup>



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



### RBA Cash Rate



(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-year non-call 5-years and 10 years)  
 (2) NAB Ltd term wholesale funding costs >12 months at issuance (spread to 3 month BBSW), includes subordinated debt  
 (3) Spread between 3 month AUD Bank Bill Swap Rate and Overnight Index Swaps (OIS). Data that is one day after a RBA cash rate change has been smoothed. Source: Bloomberg

# Additional information

Sustainability



# Sustainability is embedded in our Group Strategy

## Commercial responses to society's biggest challenges



### Our priorities

- Climate action
- Affordable and specialist housing
- Indigenous business

## Resilient and sustainable business practices



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

## Innovating for the future



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



Aligned to six key United Nations Sustainable Development Goals<sup>1</sup> – where we can make the biggest impact

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

## Supporting customers to decarbonise and build resilience

### 1H23 sustainable financing activity

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

**\$7.4bn** raised for customers through labelled green, social and sustainability bonds<sup>2</sup> supported by the Group

**\$9.1bn** raised for customers through labelled green, social and sustainability-linked loans<sup>2</sup> supported by the Group

### Developing product offerings across divisions

- Launched business finance for green equipment<sup>3</sup>
- Completed pilot and launched Agri Green Loan
- NAB's Carbon Desk operational for C&IB clients
- Carbonplace successfully operating as an independent company with 9 founding banks, including NAB<sup>4</sup>
- NAB Ventures led a seed funding round for Greener<sup>5</sup>

### Investing in climate capabilities

- Chief Climate Officer appointed and embedding updated governance and operating model
- Capability build through training program development and specialist recruitment

### Reducing financed emissions

- Goal to align with pathways to net zero by 2050, consistent with limiting warming to 1.5°C above pre-industrial levels by 2100
- Progressing target setting for remaining intensive sectors, progress update will be provided in 2023 Climate Report

### Reducing operational emissions

- Scope 1 and 2 emissions reduced ~22% compared with 1H22<sup>6</sup>
- Reductions primarily achieved through increased renewable energy purchase, energy efficiencies and consolidation of property portfolio

(1) Rankings based on IJGlobal League Table MLA, Renewables, both cumulative data from 1 Jan 2010 to 31 December 2022 and for the 12 months ending 31 December 2022

(2) Total value of bonds and loans presented based on principal value, and include deals that reached close during 1H23. Designation of "labelled green, social, sustainability and sustainability-linked" based on assessment by NAB of alignment with relevant external guidelines and principles (e.g. the ICMA Green/Social/ Sustainability-Linked Bond Principles, ICMA Sustainability Bond Guidelines, LMA/APLMA/LSTA) Green/Social/ Sustainability-Linked Loan Principles. Figures presented represent total bond and total loan size, and do not represent NAB's notional allocation/loan commitment

(3) For more information see: <https://www.nab.com.au/business/loans-and-finance/vehicle-or-equipment/green-equipment-finance>

(4) The platform is being developed in partnership with 8 other banks - CIBC, Itaú Unibanco, NatWest, UBS, Standard Chartered, Sumitomo Mitsui Banking Corporation, BNP Paribas, and BBVA

(5) Greener is a clean-tech start-up aimed at driving a green economy to help shoppers understand and reduce the emissions impact of their purchasing

(6) NAB's operational emissions data is reported on a 1 July – 30 June environmental year, comparisons based on 1H2023 to 1H2022. Reduction presented based on NAB's Scope 1 and 2 market-based operational emissions

# Progress against our climate strategy

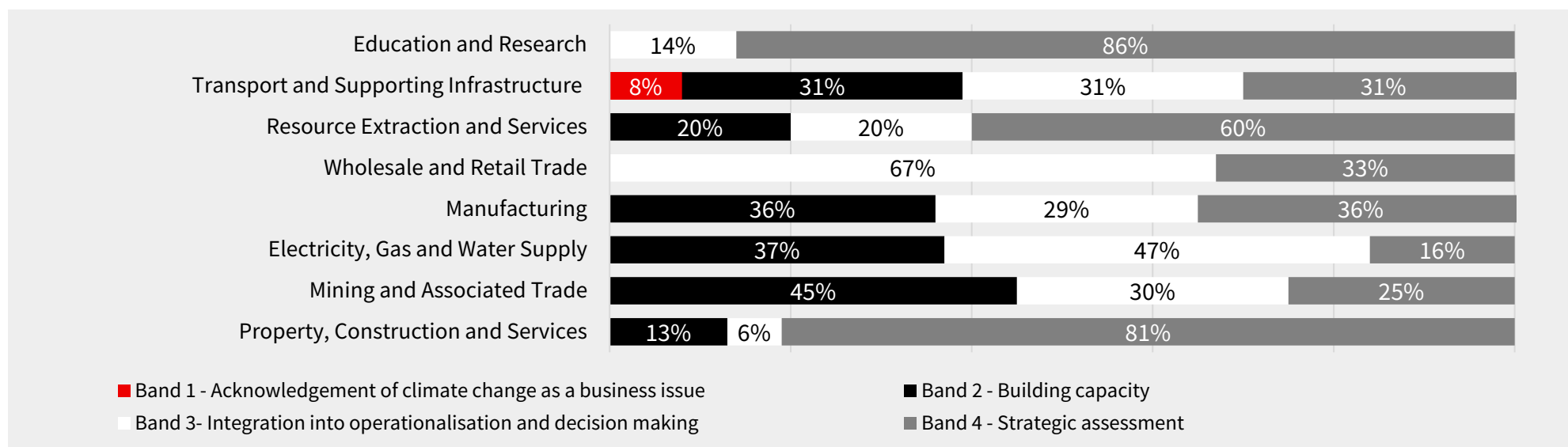
## Supporting customers with their transition plans

- Completed transition maturity assessments for 100 of our largest greenhouse gas (GHG) emitting customers, ahead of target date of September 2023
- The assessment shows transition maturity varies across industries
- Intend to further build transition maturity capability, including to inform operationalisation of NAB's interim sector decarbonisation targets
- Next step is to draw on this exercise to seek further integration of customer transition planning and assessment in our existing processes

### Transition maturity assessment completed for 100 customers

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

## Transition maturity of 100 of our largest emitting customers by sector<sup>1</sup>

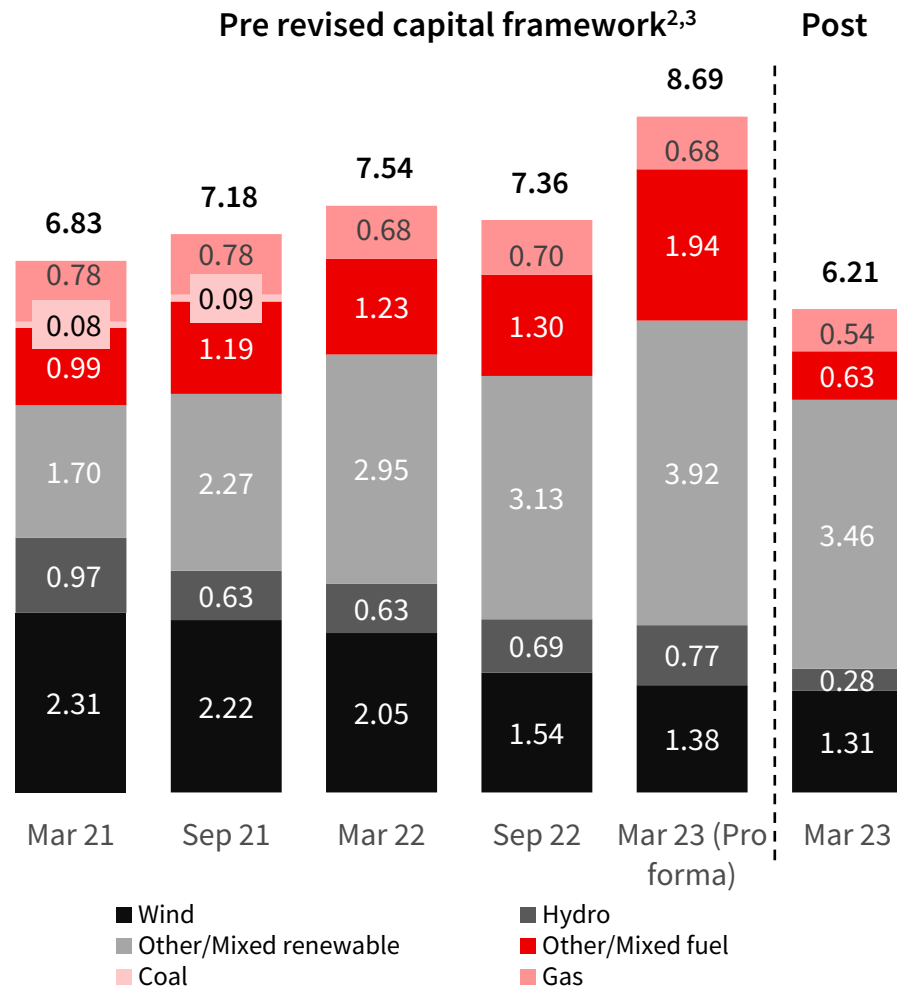


(1) The Diagnostic assists in the classification of transition maturity in the following bands: 0 – Unaware of (or not acknowledging) climate change as a business issue, 1 – Acknowledgement of climate change as a business issue, 2 – Building capacity, 3 – Integration into operational decision making, 4 – Strategic assessment. Note, no clients were assessed at the '0' level of maturity. Percentage breakdown per sector may not sum to 100 due to rounding

# Energy generation exposures

## Energy generation EAD by fuel source<sup>1</sup>

(AUD\$bn)

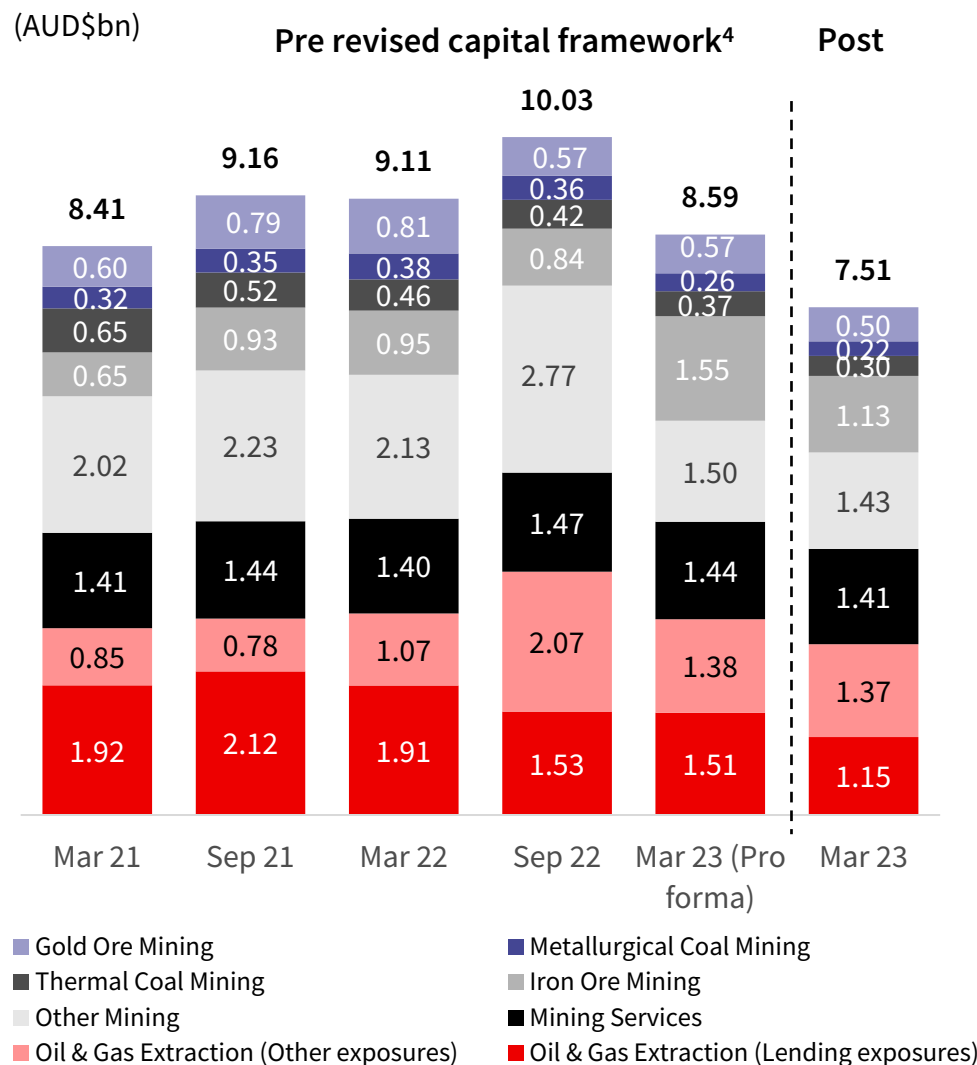


- From 1 January 2023, the revised capital framework<sup>4</sup> has come into effect
- The primary impact of this change on NAB’s energy generation exposures is a reduction in EAD due to changes in the calculation of off-balance sheet EAD for certain undrawn commitments
- For comparison, EAD under previous methodology has been presented for March 2023<sup>3</sup>
- From March 2022, NAB has no direct lending<sup>2</sup> to coal-fired power generation assets remaining, therefore it doesn’t appear in the graph after this point
- On a like-for-like basis:
  - Continued increase in ‘Other/Mixed renewable’ due to funding for companies with a mixed portfolio of renewable assets (e.g. wind and solar)
  - Increase in ‘Other/Mixed fuel’ from support provided to customers due to National Electricity Market volatility
  - 70% total energy generation financing to renewables
- NAB has also set an interim sector decarbonisation target for power generation, details available in the 2022 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 impact  
 (3) March 2023 numbers ‘pre revised capital framework’ are presented on a proforma basis for illustrative purposes only, and to aid comparison with prior periods. March 2023 numbers ‘post’ are calculated in accordance with APRA’s revised capital framework which came into effect on 1 January 2023  
 (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

# Resources exposures

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

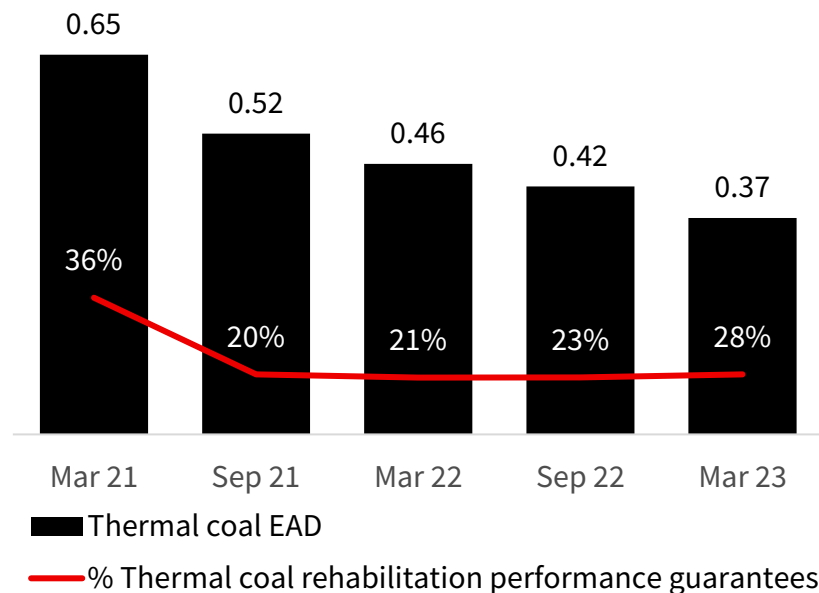


- From 1 January 2023, the revised capital framework<sup>5</sup> has come into effect
- The primary impact of this change on NAB’s resources exposures is a reduction in EAD due to changes in the calculation of off-balance sheet EAD for certain undrawn commitments
- For comparison, EAD under previous methodology has been presented for March 2023<sup>4</sup>
- On a like-for-like basis:
  - Decrease in oil and gas ‘other exposures’ primarily due to changes in foreign exchange positions across existing portfolio
  - Increase in ‘Iron Ore’ exposures and subsequent decrease in ‘Other Mining’ exposures driven by customer reclassification

(1) Totals presented in chart may not sum due to rounding  
 (2) Oil and gas extraction exposures includes lending (e.g. revolving/term lending and guarantees) and other markets-related exposures (e.g. derivatives, foreign exchange, repurchase agreements)  
 (3) Thermal coal exposures includes direct exposure (including lending and guarantees) to customers whose primary activity is thermal coal mining. Includes performance guarantees for the rehabilitation of existing coal mining assets. Excludes metallurgical coal mining and diversified mining customers  
 (4) March 2023 numbers ‘pre revised capital framework’ are presented on a proforma basis for illustrative purposes only, and to aid comparison with prior periods. March 2023 numbers ‘post’ are calculated in accordance with APRA’s revised capital framework which came into effect on 1 January 2023  
 (5) 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

# Resources exposure by type<sup>1</sup>

## Thermal coal mining (AUD\$bn) exposure<sup>2,3</sup>



## Oil & Gas Extraction - lending only (USD\$bn) exposure<sup>5</sup>



- Oil and gas (lending exposures) presented in USD as majority of portfolio is denominated in USD
- NAB's Net Zero Banking Alliance-aligned oil and gas sector target guides intended financed emissions reduction. See 2022 Climate Report for full details
- Increase in oil and gas lending primarily driven by movements in foreign exchange rates

(1) Thermal coal and oil and gas exposures reported on this page reflect EAD consistent with prior year methodology, and do not reflect the changes implemented in the revised capital framework

(2) Thermal coal exposures includes direct exposure (including lending and guarantees) to customers whose primary activity is thermal coal mining. Includes performance guarantees for the rehabilitation of existing coal mining assets. Excludes metallurgical coal mining and diversified mining customers

(3) % of thermal coal EAD for performance guarantees to rehabilitate existing assets available from March 2021

(4) 'Effectively zero' refers to the fact that the Group may still hold some exposures to thermal coal in 2030, only through residual performance guarantees to rehabilitate existing coal mining assets. These guarantees are excluded from the financed emissions coverage of NAB's thermal coal sector target

(5) Relevant exposure conversions based on rates of AUD/USD 0.72115 (Sep 21); AUD/USD 0.74855 (Mar 22); AUD/USD 0.64925 (Sep 22); and AUD/USD 0.67140 (Mar 23)



## Approach to integrating nature-related risks and opportunities in our business

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### Focusing on customers

- Prioritising action in agribusiness.
- Research and analysis to develop our understanding of risks and opportunities (next page)
- Exploring financing solutions to incentivise strong nature management (e.g. Agri green loans, Sustainability-Linked Loans, green bonds)

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### Integrating within risk management

- Part of ‘Sustainability risk’, which is a Material Risk Category<sup>1</sup>
- Nature-related topics (e.g. impacts on biodiversity) inform NAB’s High Risk ESG Sectors and Sensitive Areas List and associated due diligence requirements
- Participation in industry working groups and initiatives to build knowledge and capability e.g. COP15

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### Reporting and engaging

- Taskforce on Nature-related Financial Disclosures (TNFD) Forum member
- Piloting TNFD recommendations on ‘freshwater’ with United Nations Environment Program Finance Initiative (UNEP FI)
- Engaging with customers, investors, government, industry associations and not-for-profit bodies

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(1) Refer to NAB’s HY23 Risk Factors Disclosures, lodged with the Luxembourg Commission de Surveillance du Secteur Financier (CSSF) on 4 May 2023, and also lodged with the Australian Securities Exchange

# Nature-related risks and opportunities

## Research to drive customer and business outcomes

Project	Focus	Partner	Intended outcomes	Planned completion
Integrated Farm Modelling to Improve Resilience	To model the dynamic relationship between agro-ecosystems, management activities, and farm production over time	Australian National University	Enhanced decision-making (by customers and NAB) regarding on-farm natural capital management	Dec 2024
Natural Capital Investment Initiative (NCII)	To design financial incentives for farmers and land managers to measure their natural capital using the Natural Capital Measurement Catalogue developed by the NCII	Climateworks Centre	Improved measurement and reporting of natural capital (by agribusiness customers and NAB)	Dec 2024
Green firebreaks	NAB Foundation funded initiative that aims to investigate the extent to which green firebreaks can be used to enhance landscape resilience to fires	Greening Australia & WWF	Evidence of the efficacy of a nature-based solution, with a view to supporting wider adoption	Dec 2024

### Customer case study<sup>1</sup>

- Tahbilk Winery, Victoria's oldest family-owned winery, is an industry leader when it comes to environmental protection and sustainability
- With the help of three Agri Green Loans from NAB, Tahbilk is continuing to build on its sustainability credentials
- One of the loans was used to install 300kW of solar across three sites, to:
  - Reduce grid energy consumption by 39%
  - Reduce ongoing energy bills
  - Provide resilience against blackouts



(1) Claims based on information provided to NAB by the customer. See [business.nab.com.au/how-victorias-oldest-winery-went-carbon-neutral-54853/](https://business.nab.com.au/how-victorias-oldest-winery-went-carbon-neutral-54853/) for more information

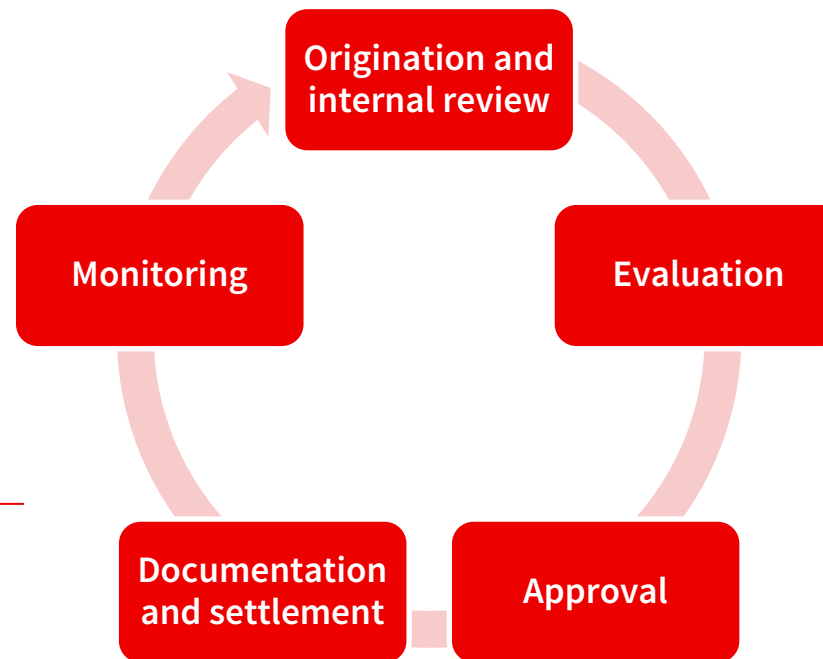
## Nature-related risk in decision-making<sup>1</sup>

Illustrative example of consideration of water-related risk during the credit risk and due diligence process for an agribusiness loan between \$15m - \$50m

- Consideration of water-related risk (e.g. presence of water rights, access to water, presence of drought management plan)

- Annual customer reviews
- Re-rating customer risk
- Reviewing ESG risk
- Monitoring relevant T&C's and covenants
- Confirm property valuations

- Covenants for reporting purposes or disclosure of environmental regulatory requirements, as appropriate
- Obtaining valuations (e.g. water entitlement valuations)



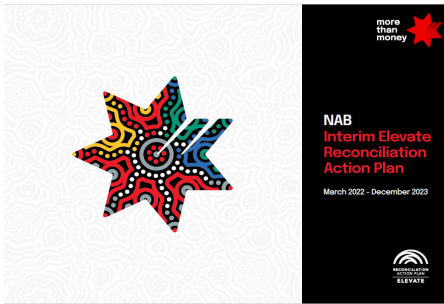
- Risk assessment considers financial and non-financial factors:
  - Financial risk: e.g. effect of regular flooding or drought on cashflow
  - Non-financial risk: e.g. management experience influencing ability to comply with environmental regulations

- Approval based on standard delegated authority processes
- Escalation may be required in instances of heightened ESG risk (including water-related risk)

(1) NAB's approach to ESG Risk Management is detailed on pages 48-49 of its 2022 Annual Report, available at <http://nab.com.au/annualreports>

# Our responses to society's biggest challenges

## Supporting Indigenous Australians



- Published Reconciliation Australia endorsed **interim Reconciliation Action Plan for 2022-2023**
- Undergoing a thorough consultation process in preparation for our fifth 'Elevate' Reconciliation Action Plan
- \$8.1m in No Interest Loans (NILS) provided to Indigenous customers. 25% of all NILS provided in the half, up from \$5.1m in 1H22

## Affordable and specialist housing

- Announced new target to lend at least a further \$6bn by 2029 to help more Australians access affordable and specialist housing<sup>1</sup>
- Focused on priority areas where we can have the biggest impact:
  - Access to finance for low-income earners and essential workers through Government-supported housing schemes
  - Financing high quality Specialist Disability Accommodation
  - Financing and partnering to enable social, affordable and community housing projects

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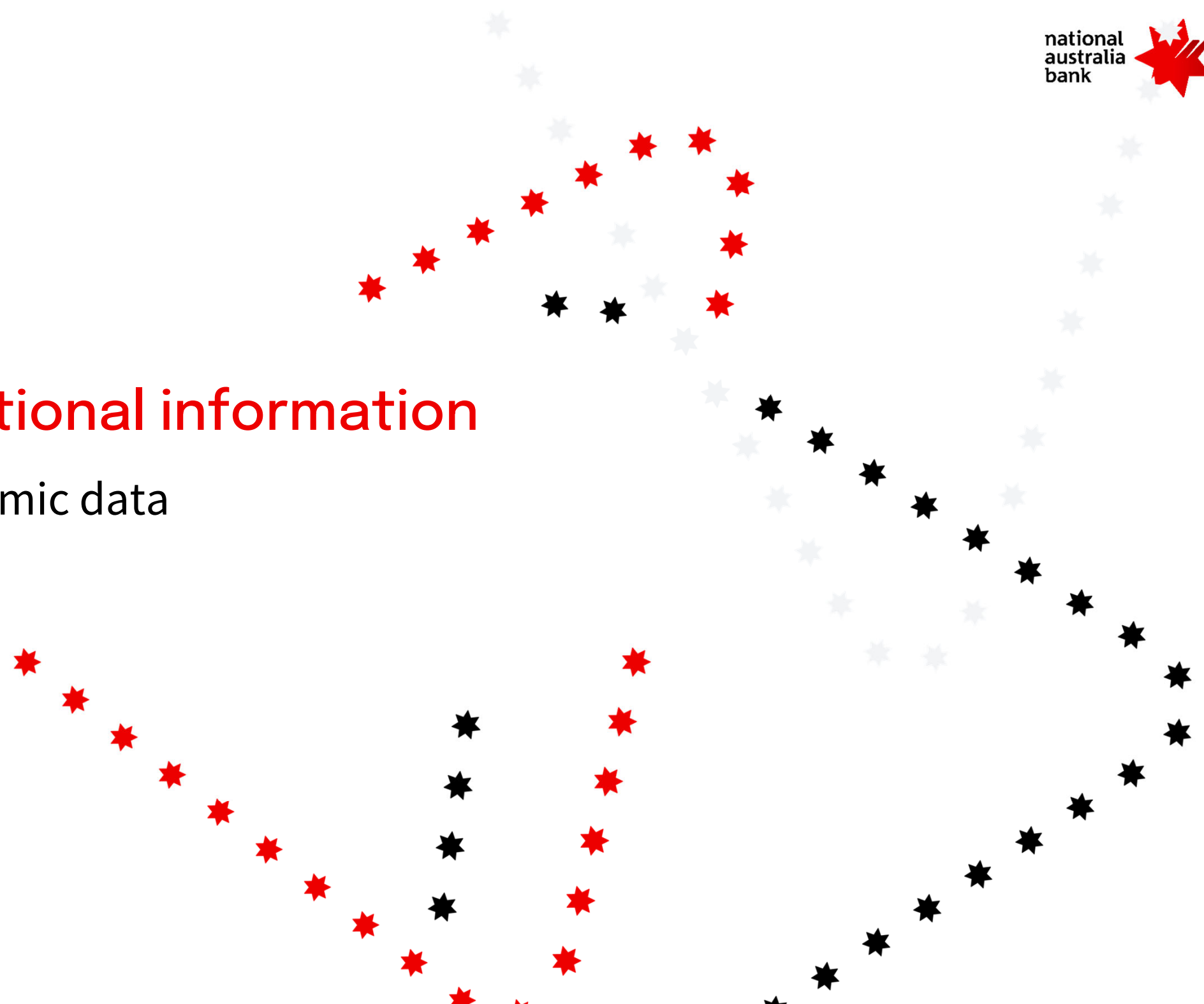
## Engaging on the Voice to Parliament

- Recognising the rightful place of Indigenous Australians as the First People of this country who are empowered to participate in shared decision making that impacts their communities
  - NAB is constructively supporting the democratic process for constitutional recognition and the Indigenous Voice to Parliament
- 

(1) Affordable and specialist housing includes affordable housing, specialist disability accommodation, and sustainable housing. This includes loans made under the First Home Guarantee, as part of the Home Guarantee Scheme (previously the First Home Loan Deposit Scheme) for properties under the national median house price, and for borrowers with taxable income below the national median household income

# Additional information

Economic data



# Australia and NZ key economic indicators

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

	CY20	CY21	CY22	CY23(f)	CY24(f)
GDP growth <sup>2</sup>	-0.1	4.6	2.7	0.7	1.3
Unemployment <sup>3</sup>	6.8	4.7	3.5	4.0	4.7
Trimmed-mean inflation <sup>4</sup>	1.2	2.7	6.9	4.0	3.0
Cash rate target <sup>3</sup>	0.10	0.10	3.10	3.85	3.10

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

	CY20	CY21	CY22	CY23(f)	CY24(f)
GDP growth <sup>2</sup>	1.0	3.3	2.2	-0.6	1.5
Unemployment <sup>3</sup>	4.9	3.2	3.4	4.0	5.4
Inflation <sup>4</sup>	1.4	5.9	7.2	4.7	2.5
Cash rate (OCR) <sup>3</sup>	0.25	0.75	4.25	5.50	4.25

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

	FY20	FY21	FY22	FY23(f)	FY24(f)
Housing	3.3	6.4	7.4	3.2	3.5
Personal	-12.9	-5.3	0.0	-0.4	0.0
Business	1.0	4.1	13.3	3.9	3.0
Total lending	1.6	5.1	8.9	3.2	3.2
System deposits	11.8	8.2	7.6	4.0	1.7

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

	FY20	FY21	FY22	FY23(f)	FY24(f)
Housing	6.8	11.6	5.7	1.6	1.6
Personal	-11.5	-8.6	1.1	2.1	-3.7
Business	-1.5	1.5	5.7	1.9	1.3
Total lending	2.9	7.3	5.6	1.7	1.4
Household retail deposits	9.4	4.5	7.7	2.5	1.4

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

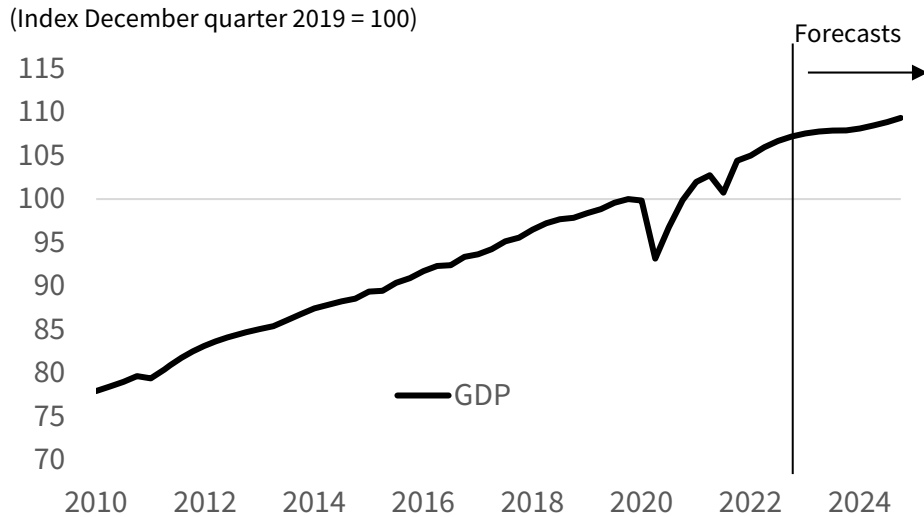
(2) December quarter on December quarter of previous year

(3) As at December quarter

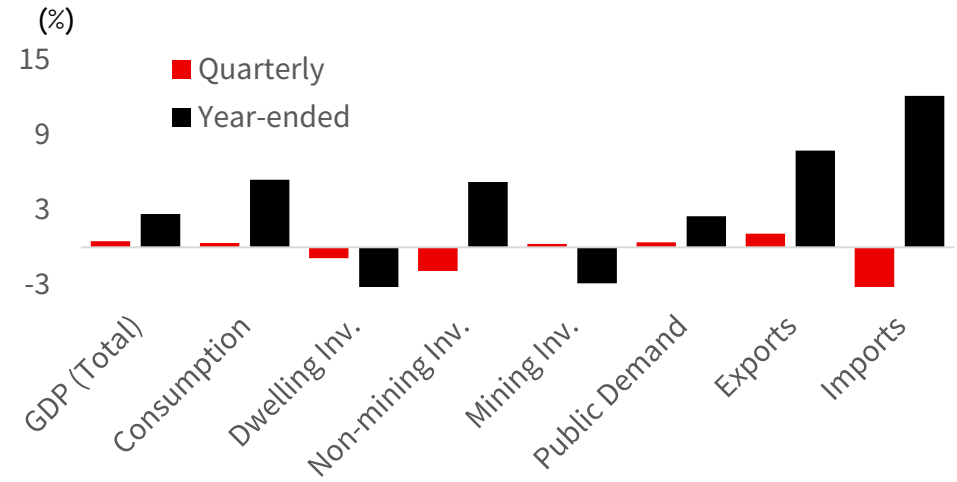
(4) December quarter on December quarter of previous year. For Australia, trimmed-mean measure of underlying inflation

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

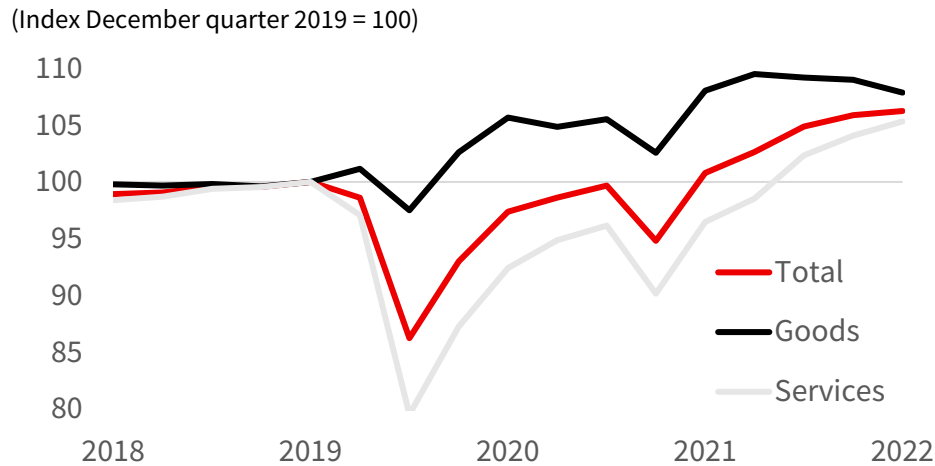
## GDP is now 7.2% above pre-COVID-19, but growth is slowing



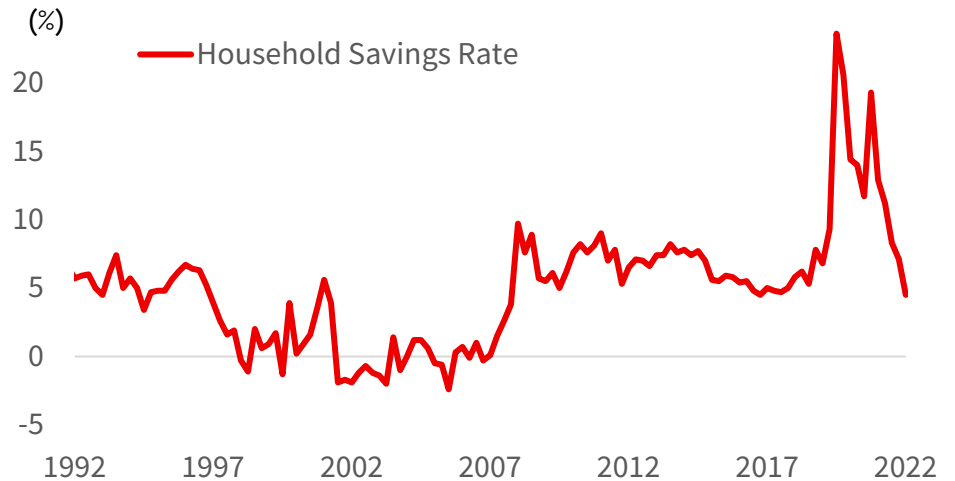
## Growth in GDP and components<sup>2</sup>



## Goods and services spending are normalising<sup>3</sup>



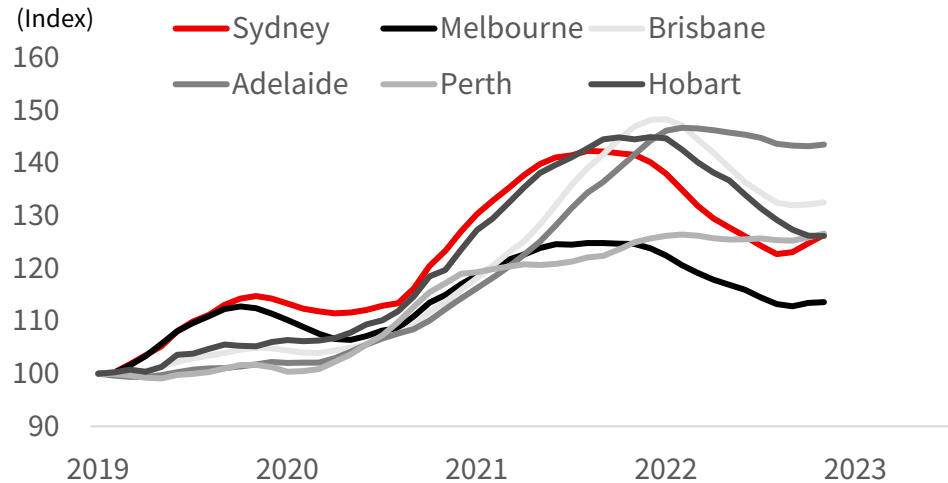
## The household savings rate is now around pre-COVID levels<sup>4</sup>



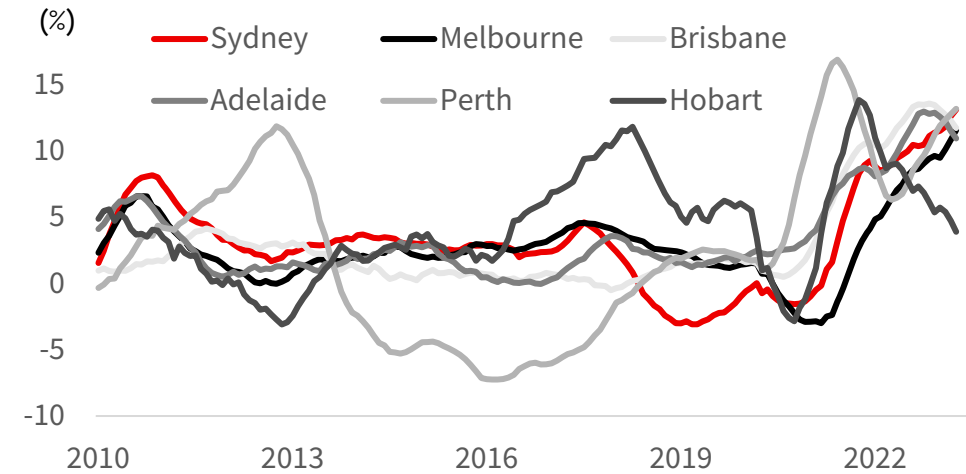
(1) Source: ABS, NAB Economics, Macrobond. Index of real GDP growth. Data to December quarter 2022. NAB Economics Forecasts thereafter  
 (2) Source: ABS, NAB Economics, Macrobond. Data to Q4 2022  
 (3) Source: ABS, NAB Economics, Macrobond. Data to Q4 2022  
 (4) Source: ABS, NAB Economics, Macrobond. Household savings rate. Data to Q4 2022

# Housing market has softened but vacancies are low

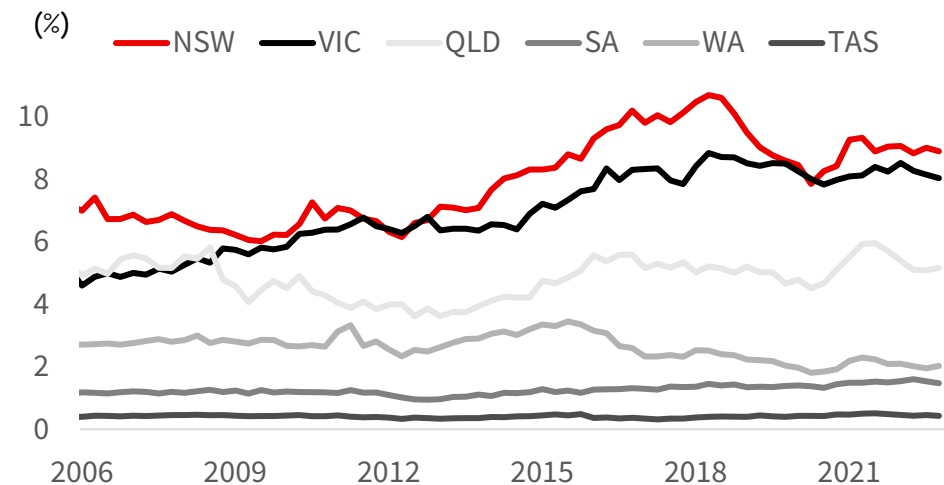
## House prices have stabilised<sup>1</sup>



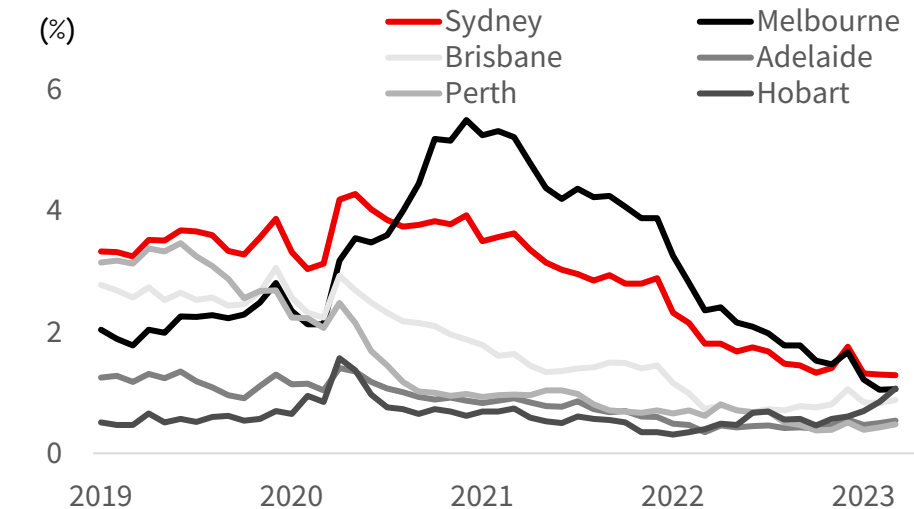
## New rents growth is strong across the states<sup>2</sup>



## Dwelling investment is high but easing<sup>3</sup>



## Rental vacancy rates are very low<sup>4</sup>



(1) Source: CoreLogic. Greater Capital City Hedonic Dwelling Price Index, Index June 2019 = 100. Data to 30 April 2023

(2) Source: CoreLogic. Hedonic measure of advertised rents. Data to 30 April 2023

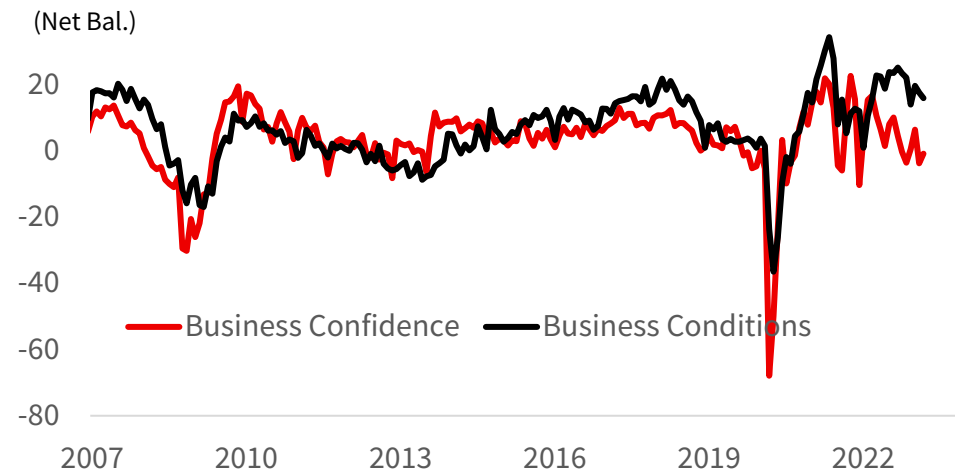
(3) Source: ABS, Macrobond. Chain volume measure (reference year 2019-20). Data to Q4 2022

(4) Source: SQM Research, Macrobond. Data to 31 March 2023

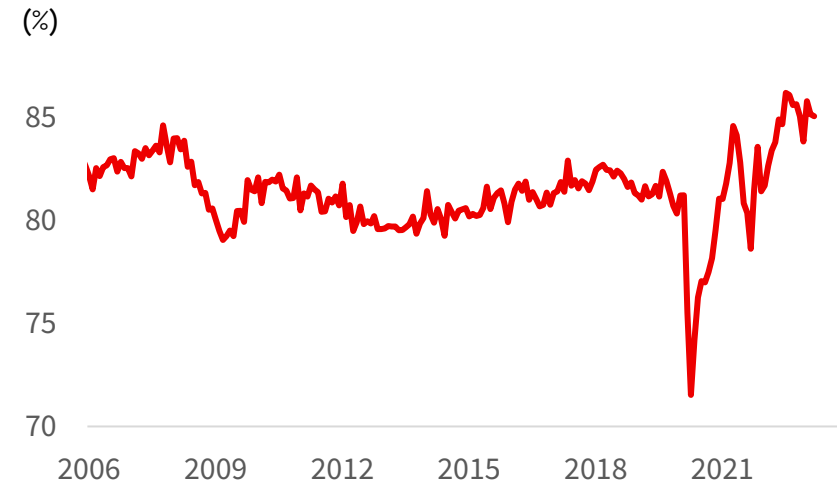


# The business sector has remained resilient

## Conditions are high but confidence is soft<sup>1</sup>



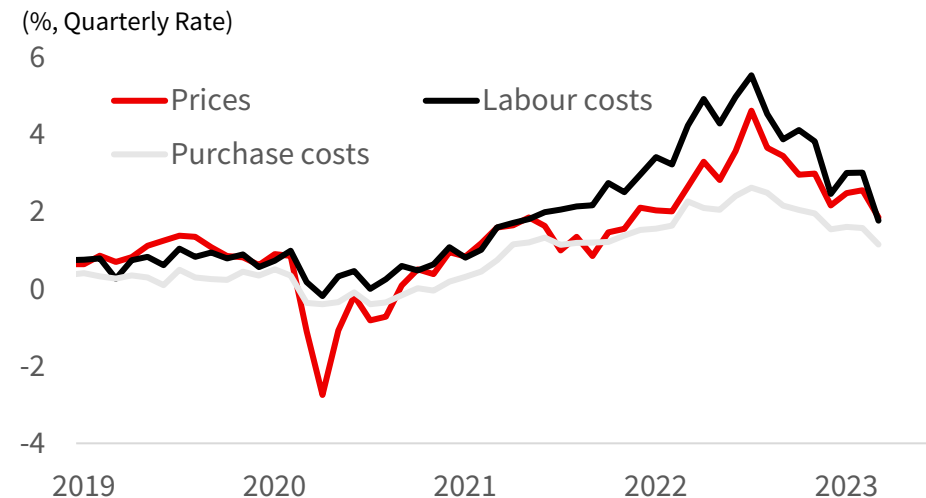
## Capacity utilisation is high<sup>1</sup>



## Investment Intentions remain solid<sup>2</sup>



## Price and cost growth has peaked<sup>1</sup>

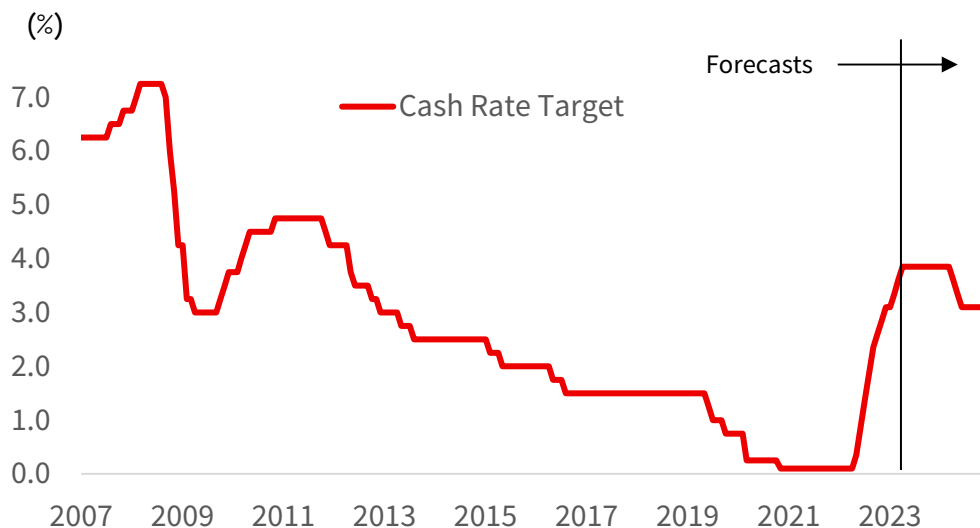


(1) Source: NAB Economics. All industry measures from the NAB Monthly Business Survey. Data to March 2023

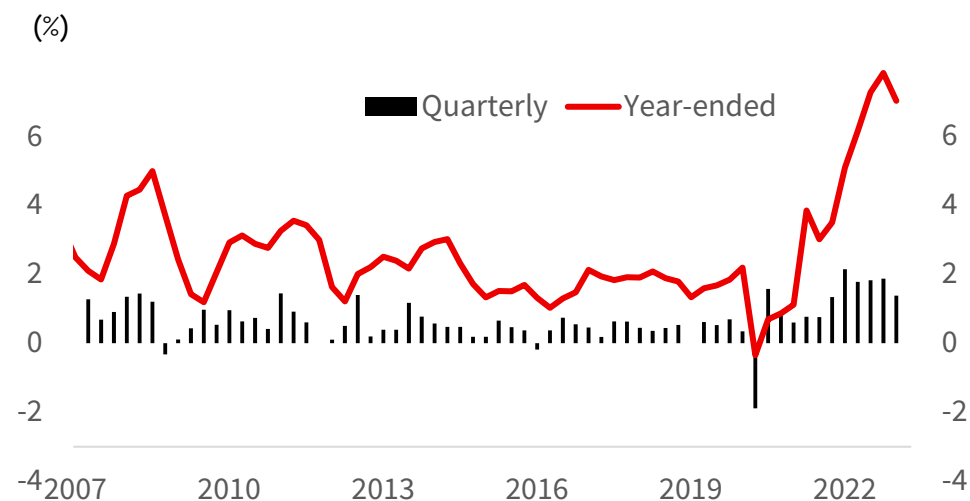
(2) Source: NAB Economics. NAB Quarterly Survey measure of 12-month Capex expectations. Data to Q1 2023

# Monetary Policy is tightening and inflation is high

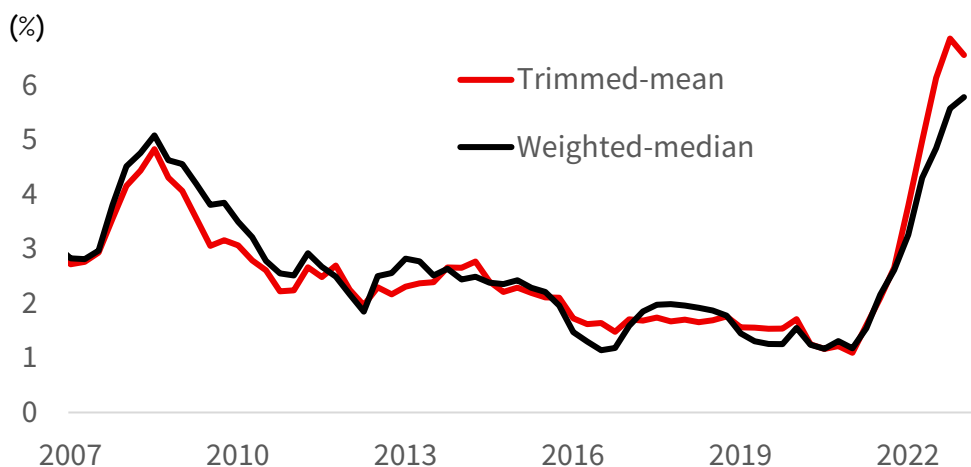
## The cash rate is near the peak<sup>1</sup>



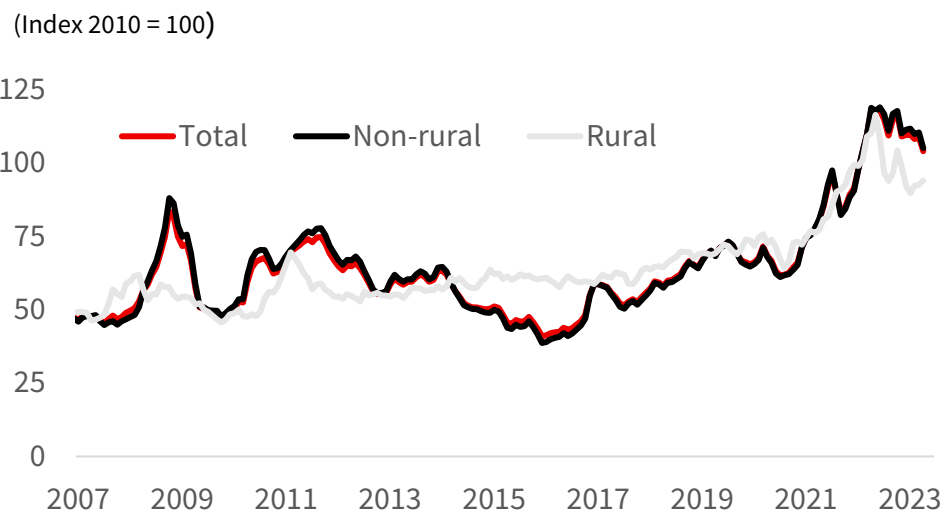
## Headline inflation has peaked but remains high<sup>2</sup>



## Underlying inflation remains high<sup>2</sup>



## Commodity prices are high<sup>3</sup>



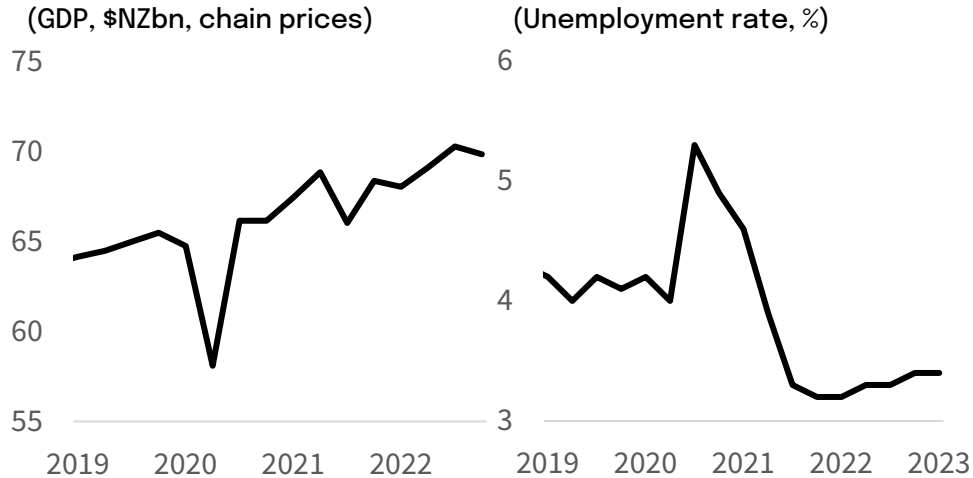
(1) Source: RBA, NAB Economics, Macrobond. Data to 2 May 2023, NAB Economics forecasts thereafter

(2) Source: ABS, Macrobond. Data to Q1 2023

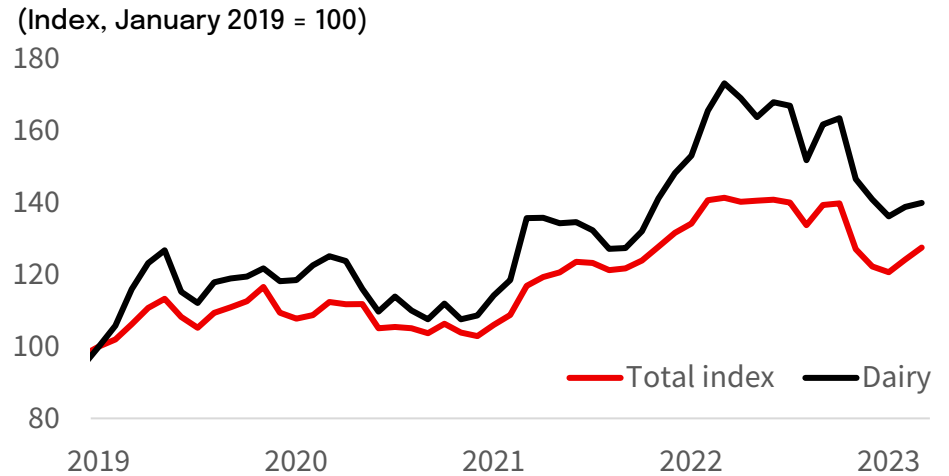
(3) Source: RBA, Macrobond. Data to 30 April 2023

# New Zealand economy

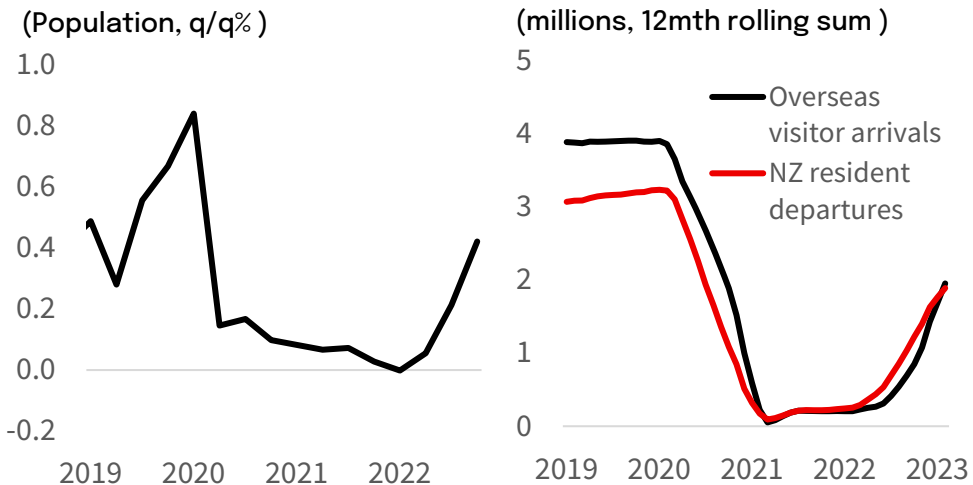
**Economy contracted in Q4 2022, unemployment rate remains at very low level<sup>1</sup>**



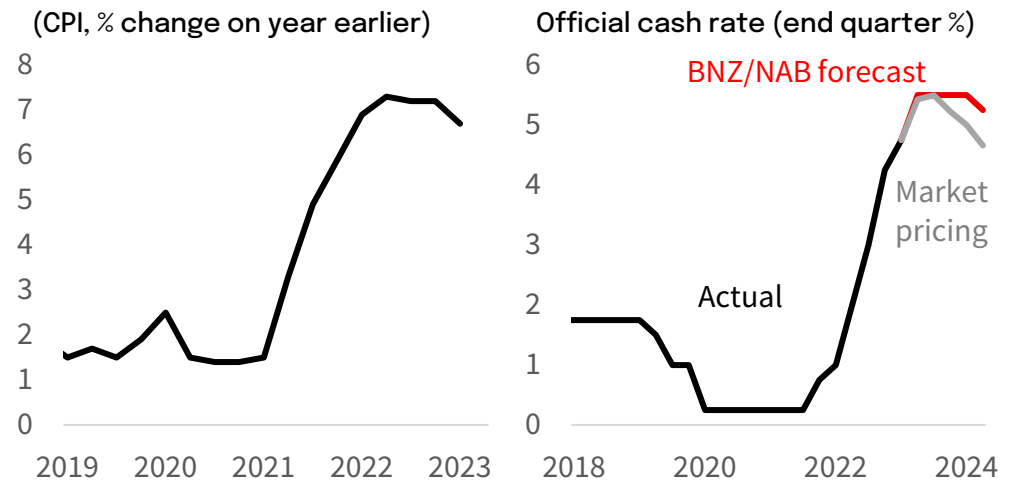
**Commodity export prices have fallen back, including dairy<sup>3</sup>**



**Population growth picking up as is international tourism<sup>2</sup>**



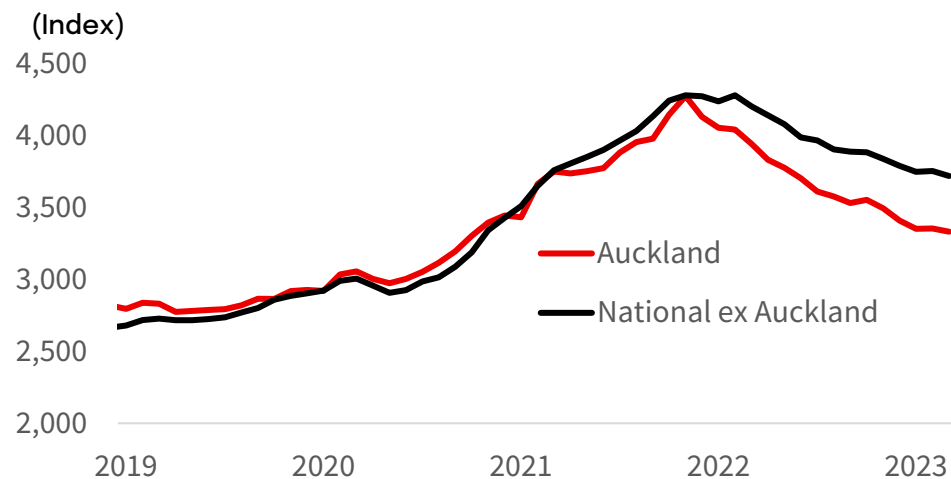
**Inflation remains very high but OCR viewed as nearing its peak in the current tightening cycle<sup>4</sup>**



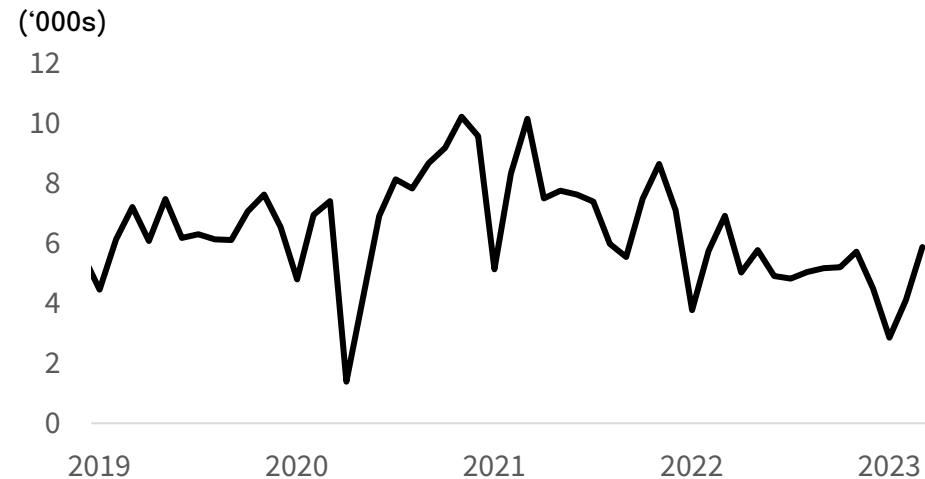
(1) Source: Refinitiv, Stats NZ  
 (2) Source: Refinitiv, Macrobond, Stats NZ  
 (3) Source: Macrobond, ANZ Commodity Price Index, NZ dollar indices  
 (4) Refinitiv, Stats NZ, RBNZ, BNZ, Market pricing as at 3.30 pm AEST 28 April 2023

# New Zealand housing

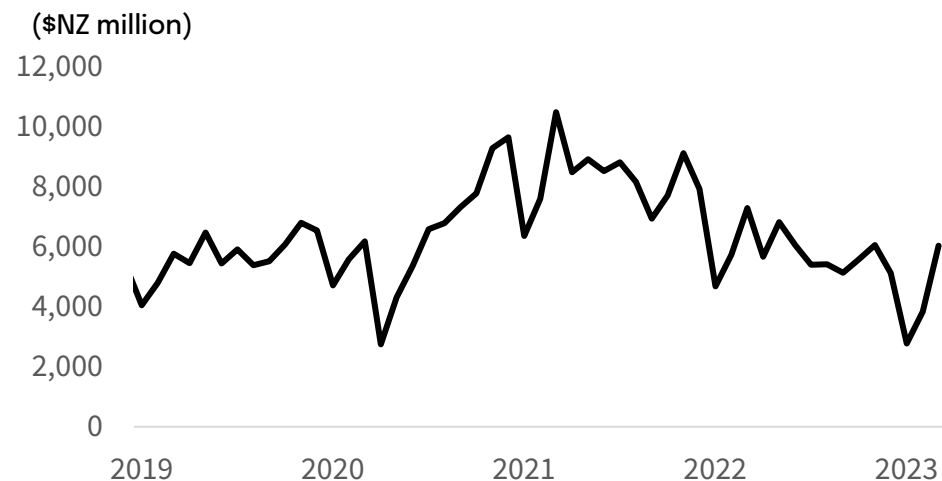
## House prices falling <sup>1</sup>



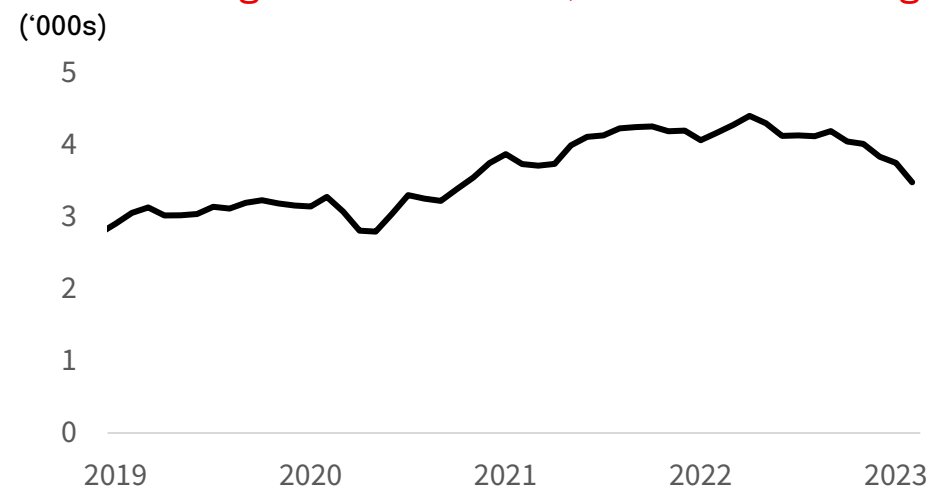
## Sales volumes also down <sup>2</sup>



## New residential mortgage lending has moved to a lower level<sup>3</sup>



## Dwelling approvals (consents) held up amidst the broader housing market downturn, but now also falling<sup>4</sup>



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

# Abbreviations and disclaimers



# Abbreviations

ALA	Alternative Liquid Assets
AML	Anti Money Laundering
APLMA	Asia Pacific Loan Market Association
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
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
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

KYC	Know Your Customer
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® and NPS® are registered trademarks and Net Promoter Score and Net Promoter System are trademarks 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

## Slide 12

- (1) DBM Business and Consumer Atlas (part of RFI Global), measured on 6 month rolling average to Mar 23. A number of changes have been made to our Strategic NPS measure to align more closely to the Group Strategy. Consumer NPS now excludes consumers with Personal income of \$260k+ and/or investible assets \$1m+. Sep 21 and prior has been restated. Ranking based on absolute scores, not statistically significant differences
- (2) DBM Business and Consumer Atlas (part of RFI Global), measured on 6 month rolling average to Mar 23. Business NPS is now based on equal (25:25:25:25) combined weighting of NAB turnover segments: Micro (Up to \$100k turnover), Small (\$100k-\$5m turnover), Medium (\$5m-\$50m turnover), Large (\$50m+). Ranking based on absolute scores, not statistically significant differences
- (3) DBM Consumer Atlas (part of RFI Global), measured on 6 month rolling average to Mar 23. Includes consumers with Personal income of \$260k+ and/or investible assets \$1m+. Ranking based on absolute scores, not statistically significant differences and compared against major peers
- (4) DBM Consumer Atlas (part of RFI Global) Main Financial Institution (MFI) Internet Banking NPS. All customers aged 18+, based on MFI customer rating their likelihood to recommend their MFI Internet Banking used in the last 4 weeks using a score from 0-10. NPS results are shown as a six month rolling average to Mar 23. Ranking based on absolute scores, not statistically significant differences
- (5) DBM Consumer Atlas (part of RFI Global) Main Financial Institution (MFI) Mobile Banking NPS . All customers aged 18+, based on MFI customer rating their likelihood to recommend their MFI Mobile Banking App used in the last 4 weeks using a score from 0-10. NPS results are shown as a six month rolling average to Mar 23. Ranking based on absolute scores, not statistically significant differences
- (6) DBM Business Atlas (part of RFI Global), measured on 6 month rolling average to Mar 23. Ranking based on absolute scores, not statistically significant differences. Micro defined as all businesses with a turnover \$0 - <\$0.1m, Small defined as all businesses with turnover \$0.1m - <\$5m and Medium defined as all businesses with a turnover of \$5m - \$50m

# Disclaimer

The material in this presentation is general background information about the NAB Group current at the date of the presentation on 04 May 2023. The information is given in summary form and does not purport to be complete. It is intended to be read by a professional analyst audience in conjunction with the verbal presentation and the 2023 Half Year Results Announcement (available at [www.nab.com.au](http://www.nab.com.au)). It is not intended to be relied upon as advice to investors or potential investors and does not take into account the investment objectives, financial situation or needs of any particular investor. No representation is made as to the accuracy, completeness or reliability of the presentation

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There are a number of other important 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 conflict between Russia and Ukraine, and the Australian and global economic environment and capital market conditions. Further information is contained in the Group's Luxembourg Transparency Law disclosures released to the ASX on 4 May 2023 and Annual Report for the 2022 financial year, which is available at [www.nab.com.au](http://www.nab.com.au)

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