

ASX ANNOUNCEMENT

Wednesday 13 March 2024

Removal of operational risk capital add-on

National Australia Bank Limited (NAB) today noted the Australian Prudential Regulation Authority (APRA) announcement outlining the removal of the \$500 million operational risk capital add-on that was applied in 2019 in response to the Bank's 2018 Self-Assessment on governance, accountability, and culture.

The removal of this requirement follows NAB's completion of its Governance & Risk Transformation program, which was established to address the 26 recommendations identified in the Self-Assessment.

The recommendations related to bringing the voice of the customer firmly into the bank, improving the rigour and discipline of delivery, strengthening accountability and risk management practices, overhauling the approach to issues, and realising the Bank's desired culture.

NAB's Common Equity Tier 1 Capital will increase 18 basis points at Level 2 (19 basis points at Level 1) as a result of the removal of the add-on, based on the Group's capital position as at 31 December 2023.

NAB Group Chief Executive Officer Ross McEwan said: "NAB has worked hard to get the basics right for customers and colleagues and address the root causes of the issues identified in the Self-Assessment. There's more to do and we will continue to build on the significant improvements made to governance, risk and culture."

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Authorised for release by the NAB Disclosure Committee.