NAB Debt Investor Update

March 2023

Australia and NZ key economic indicators

As at 22 February 2023

Australian economic indicators (%)[1]

	CY20	CY21	CY22(f)	CY23(f)	CY24(f)
GDP growth[2]	-0.7	4.5	2.8	0.7	0.9
Unemployment[3]	6.8	4.7	3.5	4.0	4.7
Trimmed-mean inflation[4]	1.2	2.6	6.8	4.5	3.0
Cash rate target[3]	0.10	0.10	3.10	4.10	3.10

NZ Economic indicators (%)[1]

	CY20	CY21	CY22(f)	CY23(f)	CY24(f)
GDP growth[2]	0.9	3.3	3.8	-1.3	1.8
Unemployment[3]	4.9	3.2	3.4	4.3	5.9
Inflation[4]	1.4	5.9	7.2	4.8	2.5
Cash rate (OCR)[3]	0.25	0.75	4.25	5.25	4.00

Australian system growth (%)[5]

	FY20	FY21	FY22	FY23(f)	FY24(f)
Housing	3.3	6.5	7.3	2.9	3.5
Personal	-12.9	-5.3	0.1	-0.3	0.0
Business	1.8	4.5	14.8	3.8	3.0
Total lending	1.9	5.2	9.5	3.1	3.2
System deposits	11.8	8.2	7.6	2.9	2.0

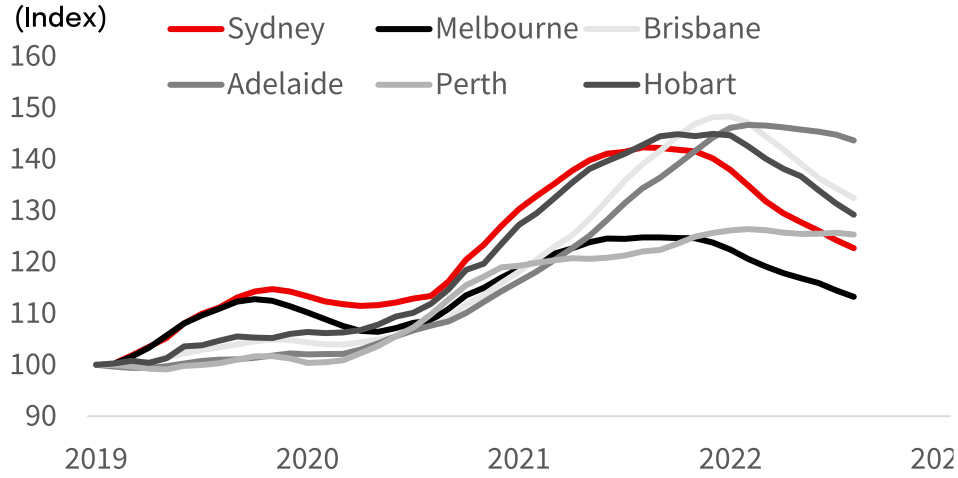
NZ System growth (%)[5]

	FY20	FY21	FY22	FY23(f)	FY24(f)
Housing	6.8	11.6	5.7	2.0	2.1
Personal	-11.5	-8.6	1.1	0.4	-3.0
Business	-1.5	1.5	5.7	3.4	1.5
Total lending	2.9	7.3	5.6	2.5	1.8
Household retail deposits	9.4	4.5	7.7	2.4	1.8

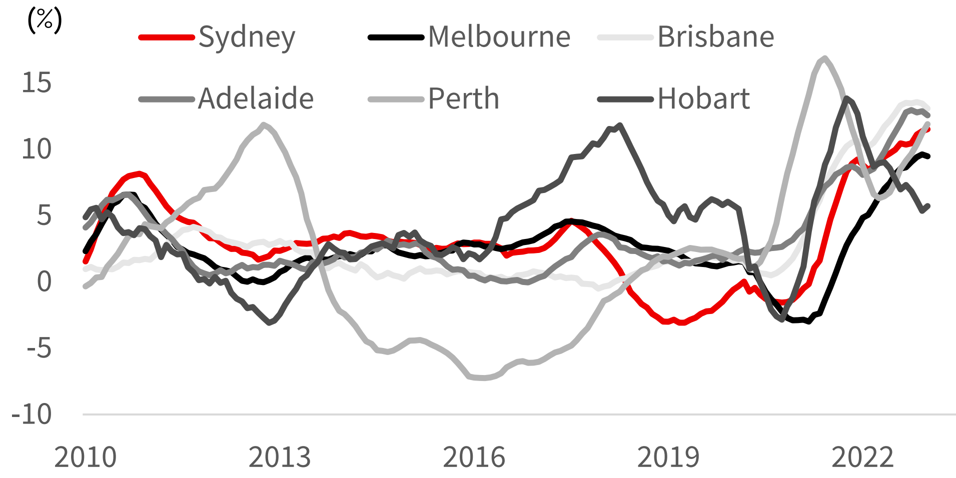
(1) Sources: ABS, Econdata DX, RBA, RBNZ, Stats NZ, NAB Economics
(2) December quarter on December quarter of previous year
(3) As at December quarter
(4) December quarter on December quarter of previous year. For Australia, trimmed-mean measure of underlying inflation
(5) Source: RBA, RBNZ, NAB. Bank fiscal year-ended (September). NZ business credit includes credit to Agriculture and is calculated from break adjusted data

Australian housing market has softened but vacancies are low

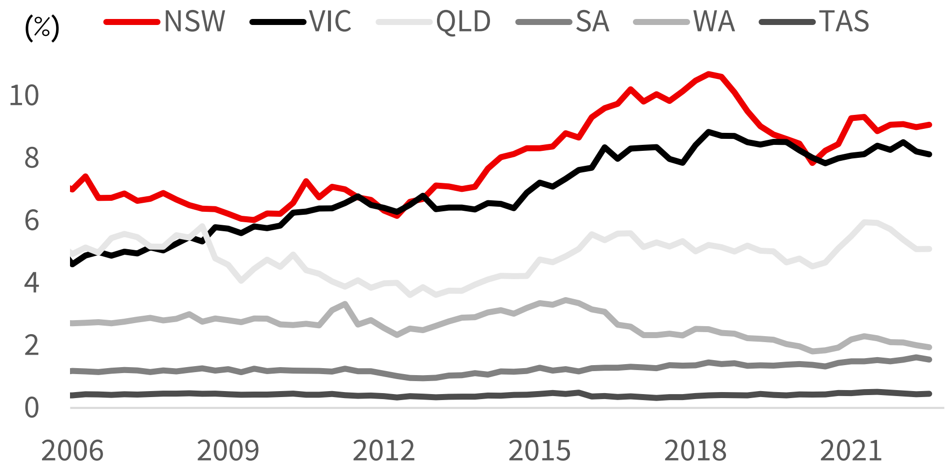
House prices are falling across the states[1]



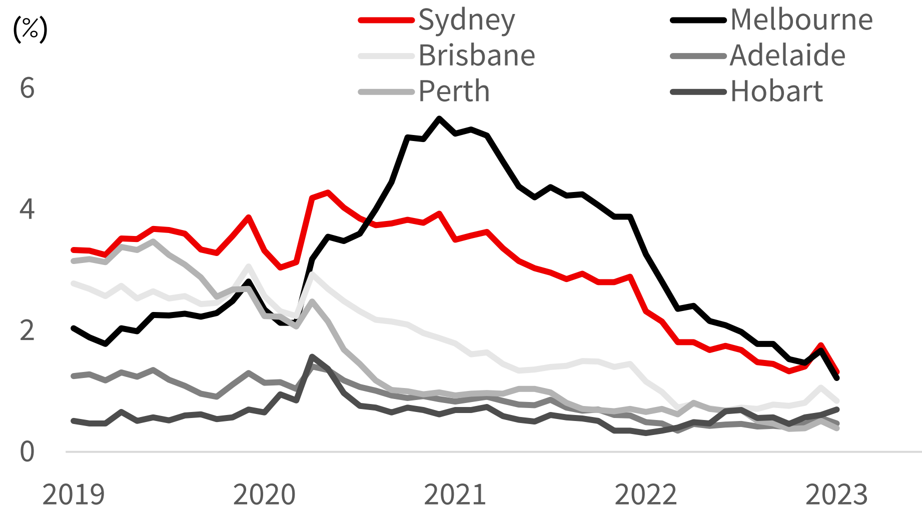
New rents growth has been strong[2]



Dwelling investment is high but easing[3]



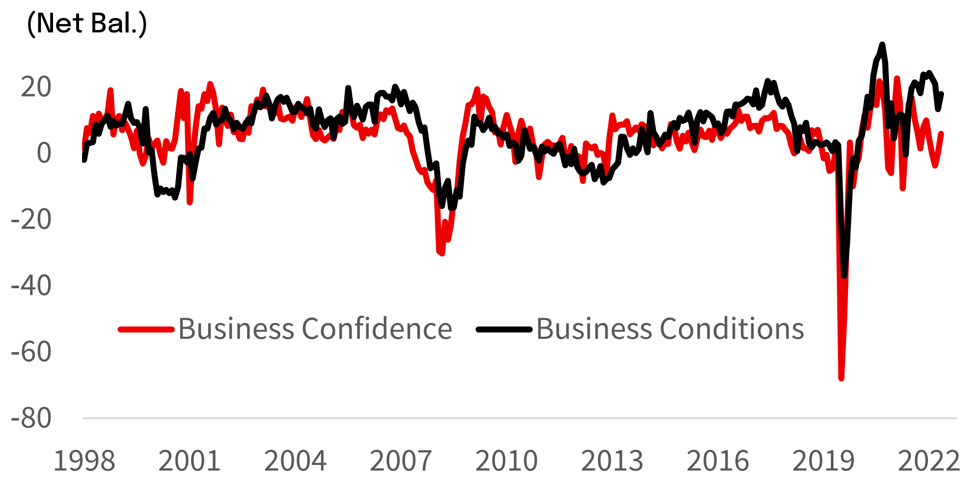
Rental vacancy rates are very low[4]



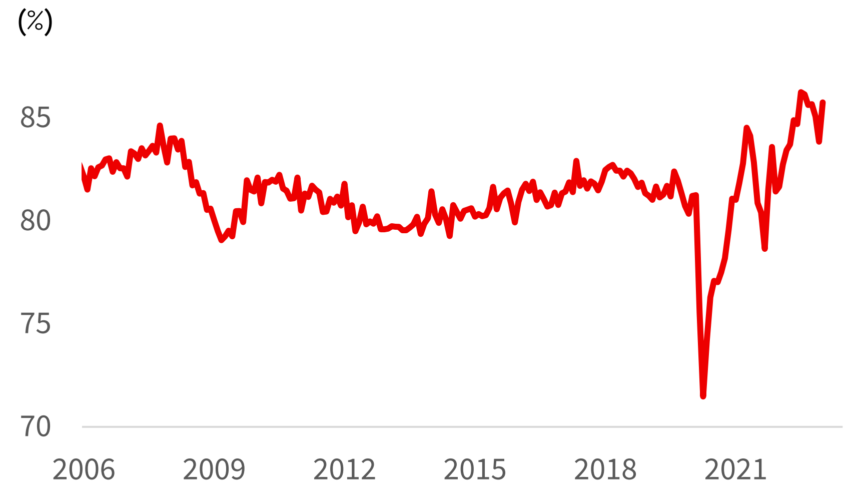
(1) Source: CoreLogic. Greater Capital City Hedonic Dwelling Price Index, Index June 2019 = 100. Data to 31 January 2023
(2) Source: CoreLogic. Hedonic measure of advertised rents. Data to 31 January 2023
(3) Source: ABS, Macrobond. Chain volume measure (reference year 2019-20). Data to Q3 2022
(4) Source: SQM Research, Macrobond. Data to 31 January 2023

Australian business sector has remained resilient

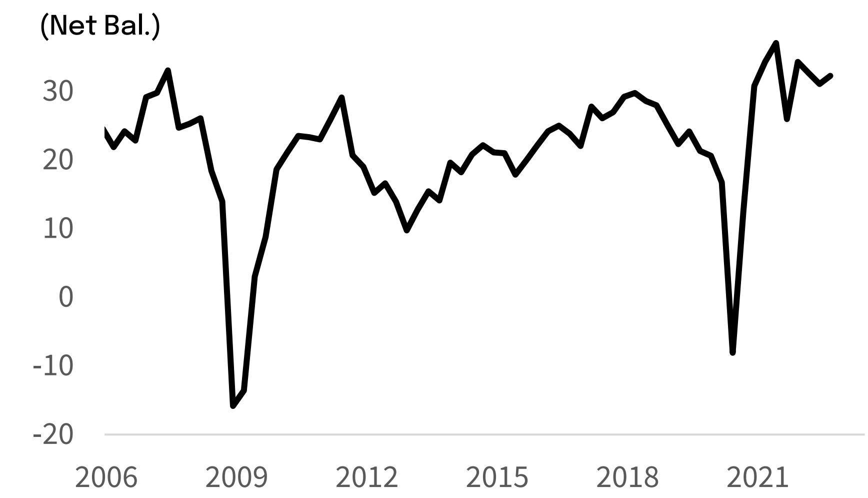
Conditions are high but confidence is average[1]



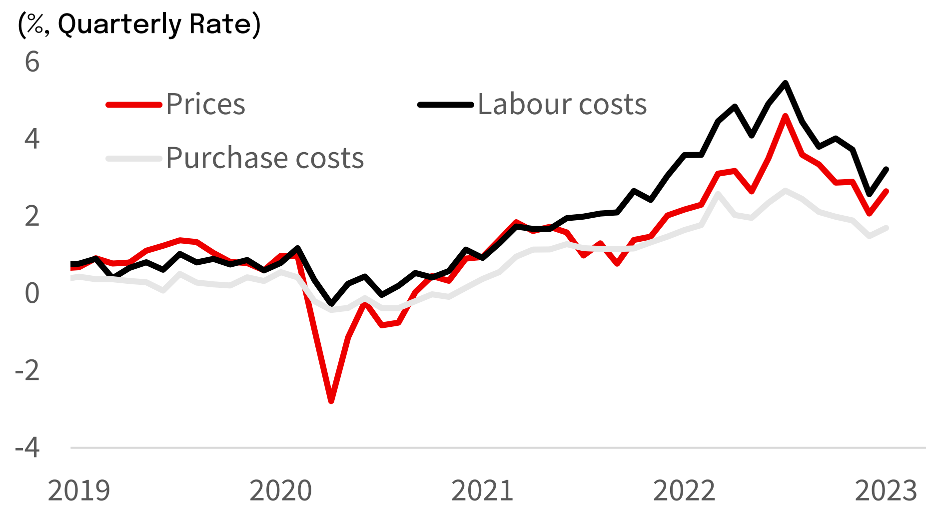
Capacity utilisation is high[1]



Investment Intentions are elevated[2]



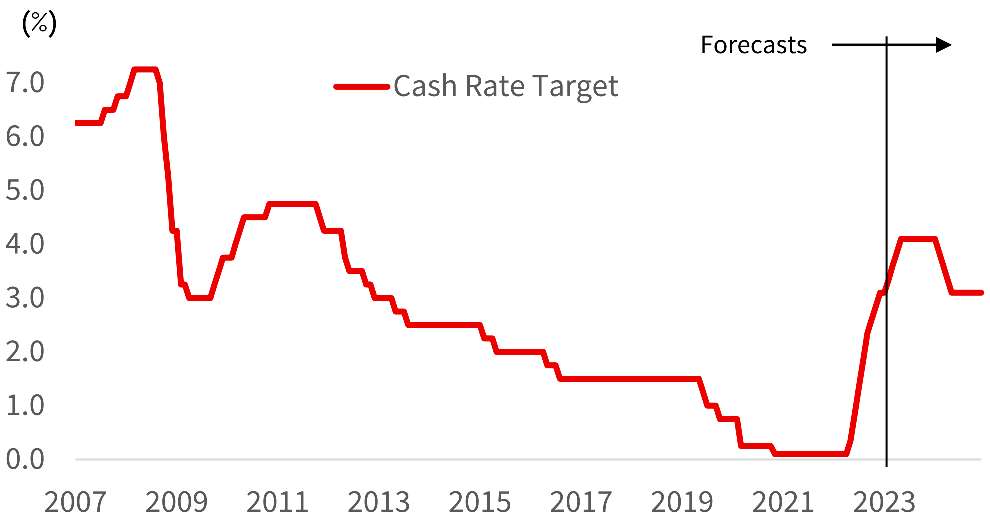
Price and cost growth measures remain elevated[1]



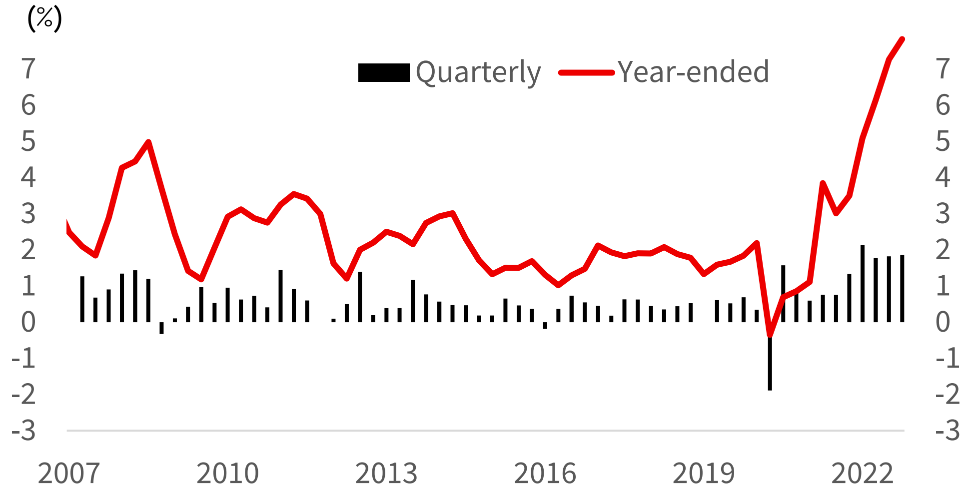
(1) Source: NAB Economics. All industry measures from the NAB Monthly Business Survey. Data to January 2023.
(2) Source: NAB Economics. NAB Quarterly Survey measure of 12-month Capex expectations. Data to Q4 2022.

Monetary Policy is tightening and inflation is high

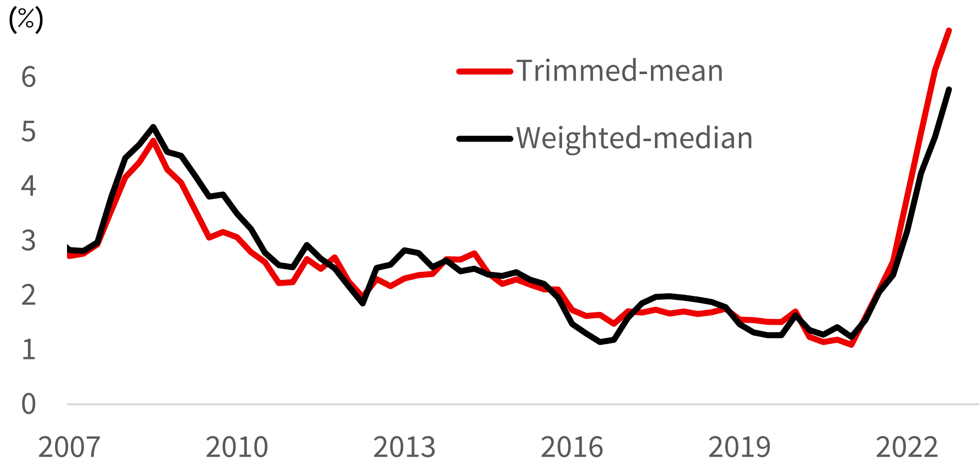
The cash rate expected to reach 4.1%[1]



Headline inflation is yet to peak[2]

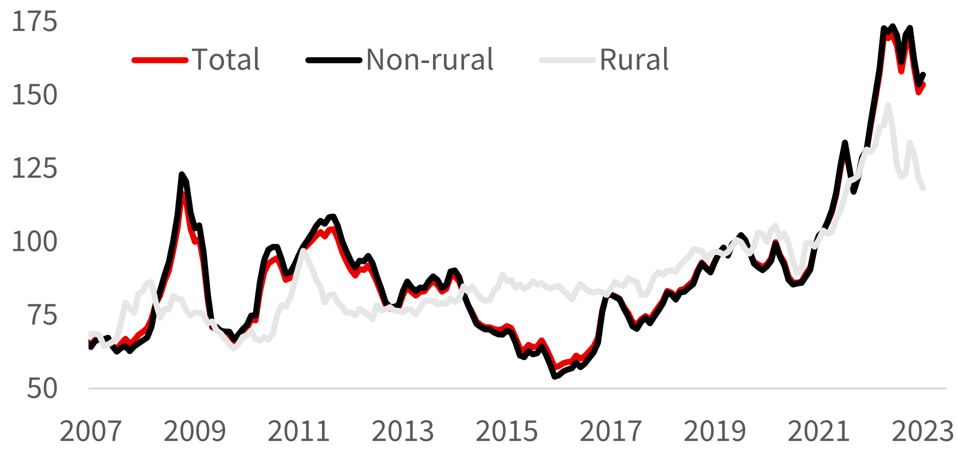


Underlying inflation is also strong[2]



Commodity prices are high[3]

(Index 2010 = 100)



(1) Source: RBA, NAB Economics, Macrobond. Data to February 2023, NAB Economics forecasts thereafter
(2) Source: ABS, Macrobond. Data to Q4 2022.
(3) Source: RBA. Macrobond. Data to 31 January 2023

We have a clear 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

1Q23 Trading Update[1]

As at 31 December 2022

1Q23 FINANCIAL HIGHLIGHTS

$2.05BN

Unaudited statutory net profit

$2.15BN

Unaudited Cash earnings[2]

18.7%

Cash earnings growth Vs 1Q22 (cash earnings before tax and credit impairment charges up 27%)

11.3%

Group Common Equity Tier 1 ratio (CET1)

Operating Performance

Cash earnings before tax and credit impairment charges increased 23% (compared with 2H22 quarterly average). Key drivers include:

- **Revenue** increased 15% reflecting higher margins, stronger Markets & Treasury income and volume growth. Excluding Markets & Treasury, revenue rose 12%;
- **Net interest margin (NIM)** rose 12 basis points (bps) to 1.79%. Excluding Markets & Treasury and the impact of liquids, NIM rose 15 bps to 1.82% benefitting from the rising interest rate environment partly offset by home lending competition;
- **Expenses** rose 4%, or 3% excluding the Citi consumer business, with higher staff-related costs partly offset by productivity and lower remediation charges.

Lending and deposits both grew 1% over the December quarter.

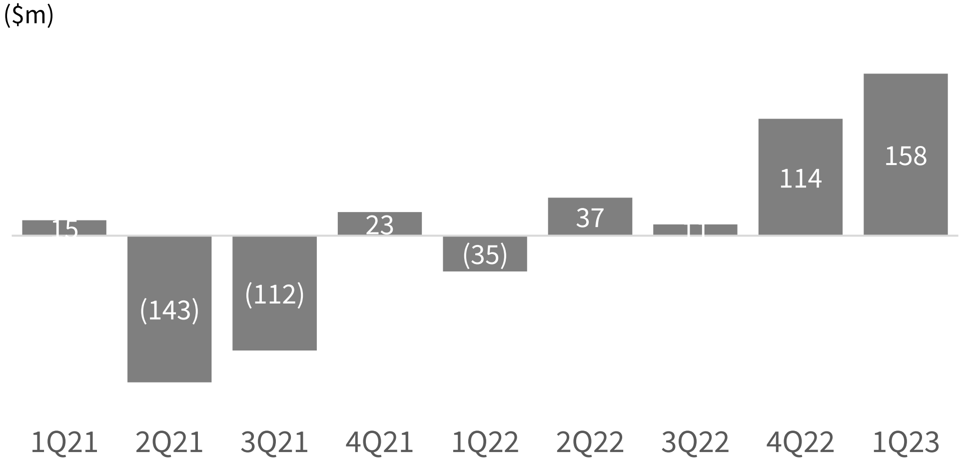
(1) The December 2022 quarter results are compared with the quarterly average of the September 2022 half year results for continuing operations unless otherwise stated. Cash and statutory earnings are rounded to the nearest $50m. Revenue, expenses and asset quality are expressed on a cash earnings basis. All figures include the impact of Citigroup's Australian consumer business (the Citi consumer business), acquired by the Group on 1 June 2022 unless otherwise stated

(2) Refer to note on cash earnings in disclaimer on slide 34

Asset quality

As at 31 December 2022

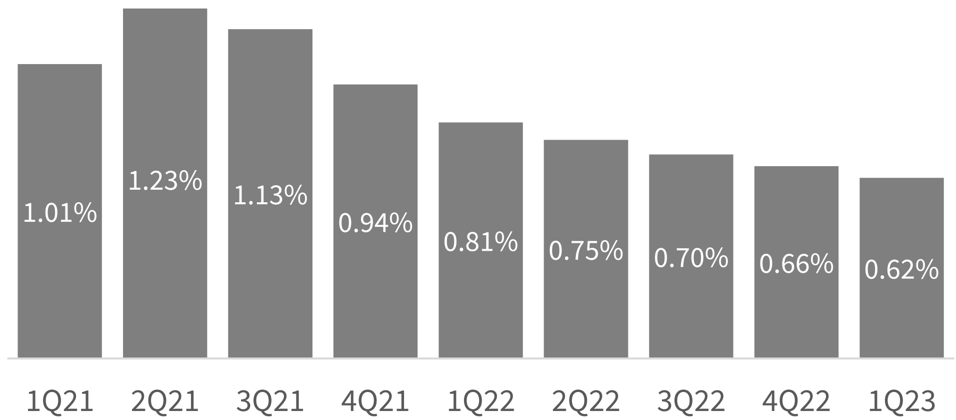
Credit Impairment Charges/(Writebacks)



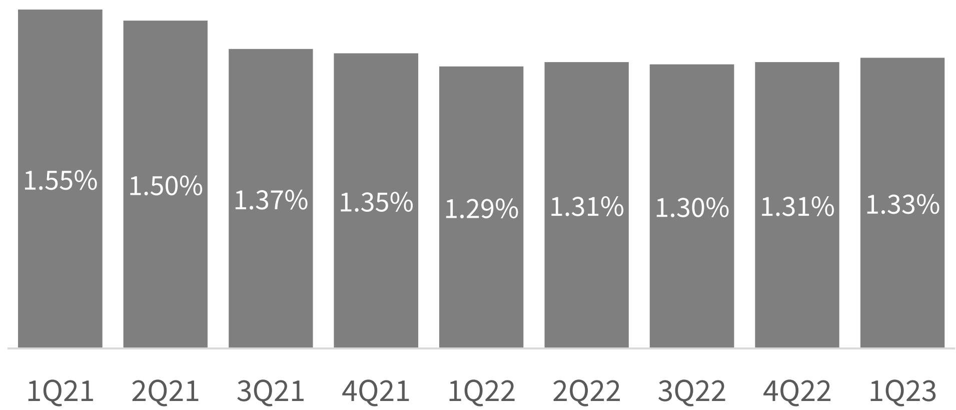
1Q23 Key Considerations

- Credit impairment charge (CIC) was $158m reflecting the impact of lower house prices and business lending volume growth. Specific charges remain at low levels. There has been no impact on CICs from changes to assumptions used in the Economic Adjustment or Forward Looking Adjustments during the quarter.
- Compared with Sep-22, collective provisions to credit risk weighted assets increased 2 bps to 1.33%.
- 90+ days past due and gross impaired assets to gross loans and acceptances declined 4 bps to 0.62%, mainly reflecting continued improvement across the Australian home loan portfolio and a continued low level of impaired assets in the business lending portfolio.

90+DPD and GIAs as a % of GLAs



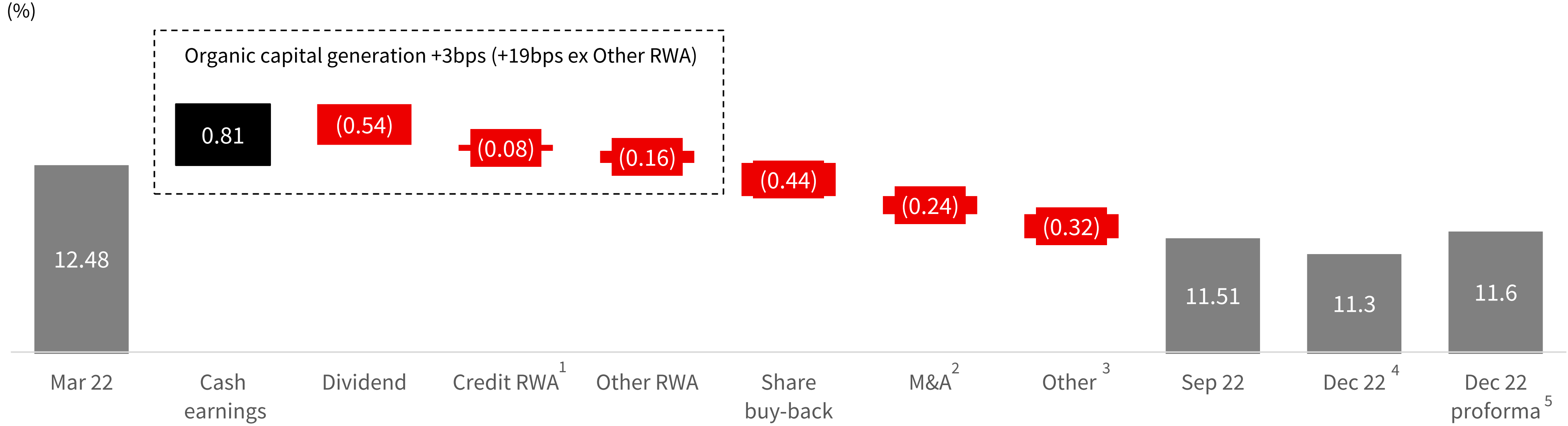
Collective Provision Coverage/Credit Risk Weighted Assets



Capital remains above target range

As at 31 December 2022

Group Basel III Common Equity Tier 1 capital ratio



Total risk-weighted assets

(1) Excludes FX translation
(2) Net -24bps CET1 impact from acquisition of Citi Consumer Business (-30bps) and sale of BNZ Life (+6bps)
(3) Includes -14bps net FX translation
(4) Includes 55 bps impact from payment of the 2022 final dividend, modest underlying RWA growth and 2 bps impact from the ongoing on-market buy-back in 1Q23. On 24 March 2022 NAB announced the completion of its \$2.5bn on-market share buy-back (announced on 30 July 2021), and a further on-market buy-back of up to \$2.5 billion. The further buy-back commenced on 6 May 2022 and is expected to be undertaken over approximately 12 months. As at 31 December 2022 \$2.0bn (68.7 million shares) had been acquired under the further buy-back
(5) Pro forma capital includes the impact of the \$0.5bn balance of the shares to be acquired under the on-market buy-back (~11 bps) and the estimated uplift for the impact of APRA's revised capital framework effective from 1 January 2023 of ~40 bps. The impact of APRA's revised capital framework is an estimate only and may be subject to change based on NAB's final implementation of the revised APRA standards
(6) Credit RWA impacts of Citi Consumer Business acquisition

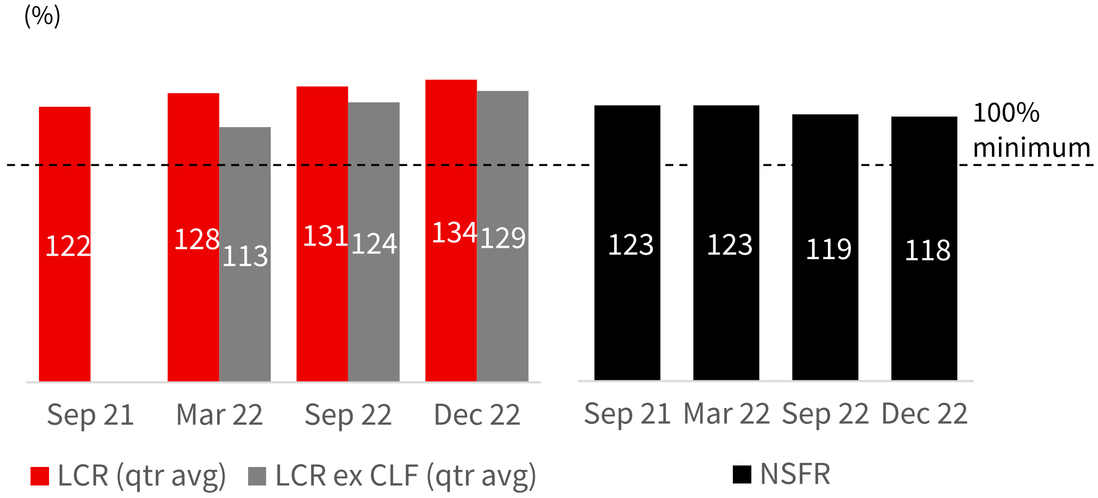
Funding and liquidity strong

As at 31 December 2022

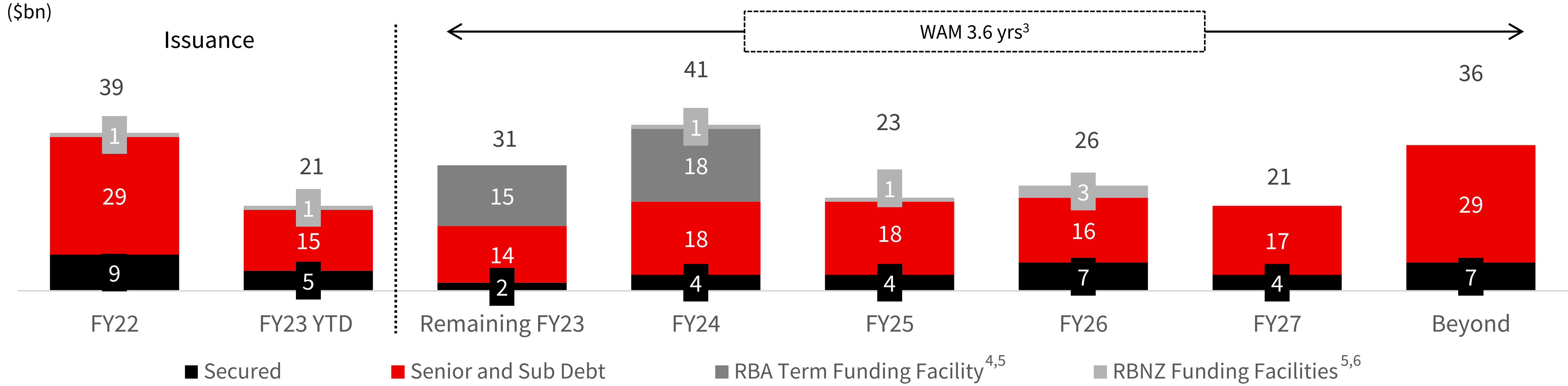
Key messages

- Strong funding and liquidity position, well above regulatory minimums despite market volatility and widening credit spreads
- The Group returned to more normalised term wholesale funding issuance volumes with issuance diversified across currencies and products
- Expect to continue to access term wholesale funding markets over FY23 to support refinancing requirements, balance sheet growth as well as the CLF and TFF transitions

Liquidity position well above regulatory minimums



Term funding issuance[1] & maturity profile[2]



(1) Includes senior unsecured, secured (covered bonds and securitisation) 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) Maturity profile of funding with an original term to maturity greater than 12 months, excludes Additional Tier 1 and Residential Mortgage Backed Securities. Spot FX rate at 31 January 2023.
(3) Remaining weighted average maturity, excludes Additional Tier 1, Residential Mortgage Backed Securities, RBA Term Funding Facility and RBNZ funding facilities
(4) Includes RBA Term Funding Facility from Citi acquisition
(5) Contractual maturity is based on drawdown date
(6) Includes RBNZ's Term Lending Facility (TLF) and Funding for Lending Programme (FLP)

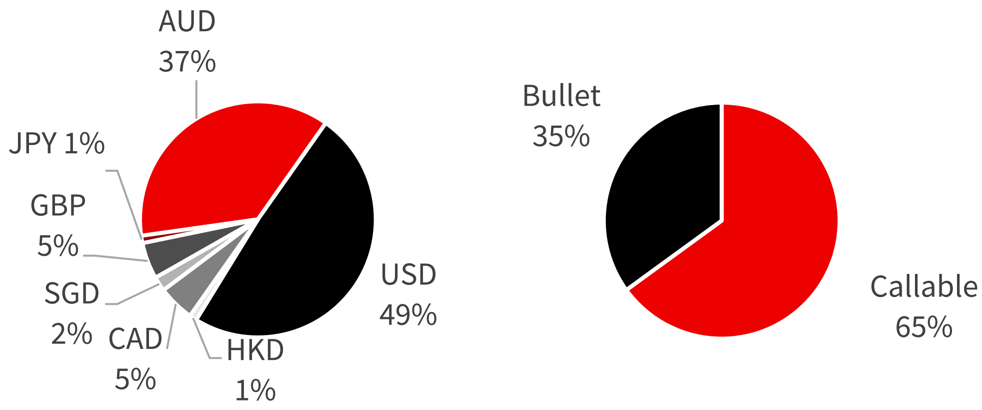
Loss-absorbing capacity

As at 31 December 2022

- Based on the Group's RWA and Total Capital position as at 31 Dec 22, the incremental Group Total Capital requirement by Jan 24 is $0.6bn, and $7.4bn by Jan 26
- $3.5bn of NAB's existing Tier 2 Capital has optional redemption dates prior to Jan 26, including $1.4bn before Jan 24[1]

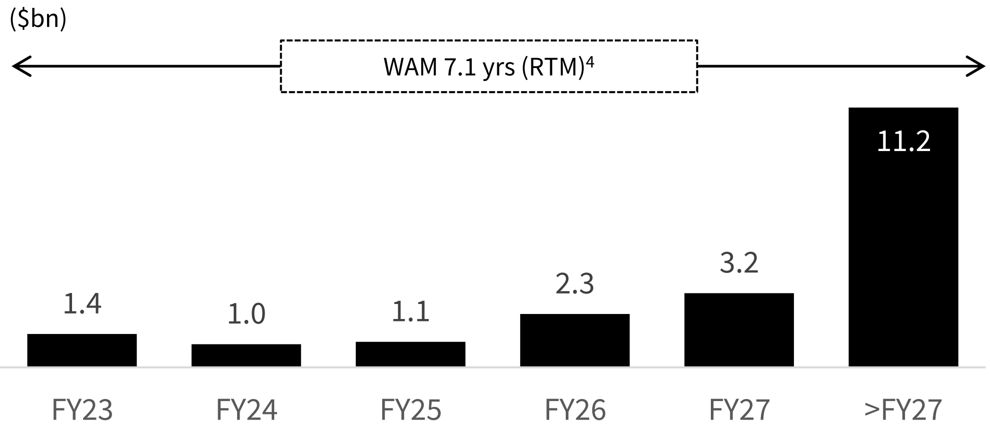
($bn)	Jan-24	Jan-26
Group RWA (at Dec-22)	455.7	455.7
Tier 2 Requirement (5.0% by Jan-24, 6.5% by Jan-26)[2]	22.8	29.6
Existing Tier 2 at Dec-22 (4.9%)	22.2	22.2
Current Shortfall[5]	0.6	7.4

NAB Tier 2 outstanding issuance



APRA changes to major banks' capital structures[3]

NAB Tier 2 maturities (to first call[1])



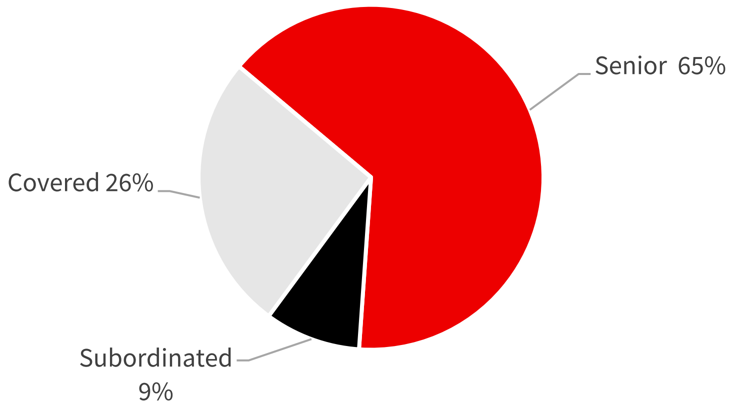
(1) Subject to the prior written approval required by APRA
(2) In Dec 21, APRA finalised Loss-Absorbing Capacity requirements for D-SIBs, set as an increase to minimum Total Capital requirement of 4.5% of RWA from 1 Jan 26. D-SIBs are required to hold the interim setting of an increase to minimum Total Capital requirement of 3% of RWA by 1 Jan 24. $1.9bn of surplus provisions are eligible for inclusion in Tier 2 Capital at 31 Dec 22
(3) Does not include changes from APRA's revised capital framework
(4) Weighted Average Maturity, based on remaining term to maturity or to first optional call date (subject to APRA approval)
(5) As at Jan-23, the Group Total Capital requirement for Jan 24 is met and the Jan 26 shortfall is $5.6bn after the issuance of the USD1.25bn Tier 2 note in Jan-23

Diversified & flexible term wholesale funding portfolio

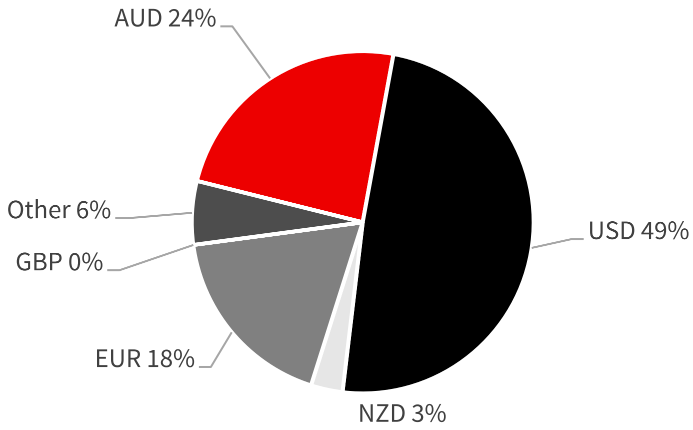
As at 10 February 2023

Since 1 October 2022, the Group has raised A$20bn of term wholesale funding[1]. NAB raised $18bn of term wholesale funding, including $2bn of Tier 2 subordinated debt, and BNZ raised $2bn of term wholesale funding.

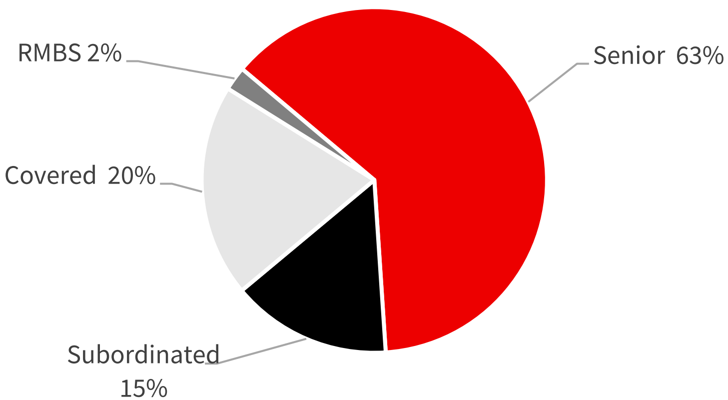
YTD issuance by product type[1]



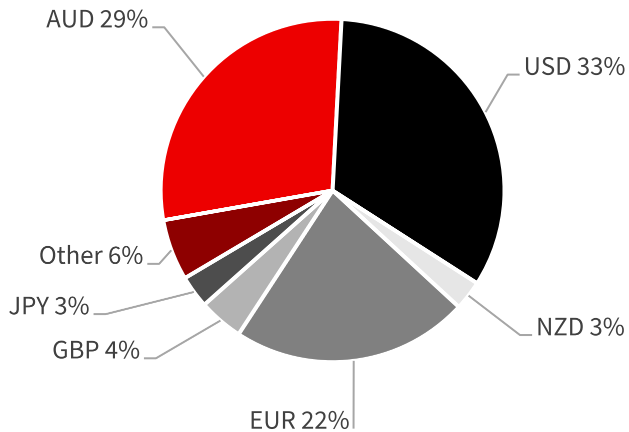
YTD issuance by currency[1]



Outstanding issuance by product type[1]



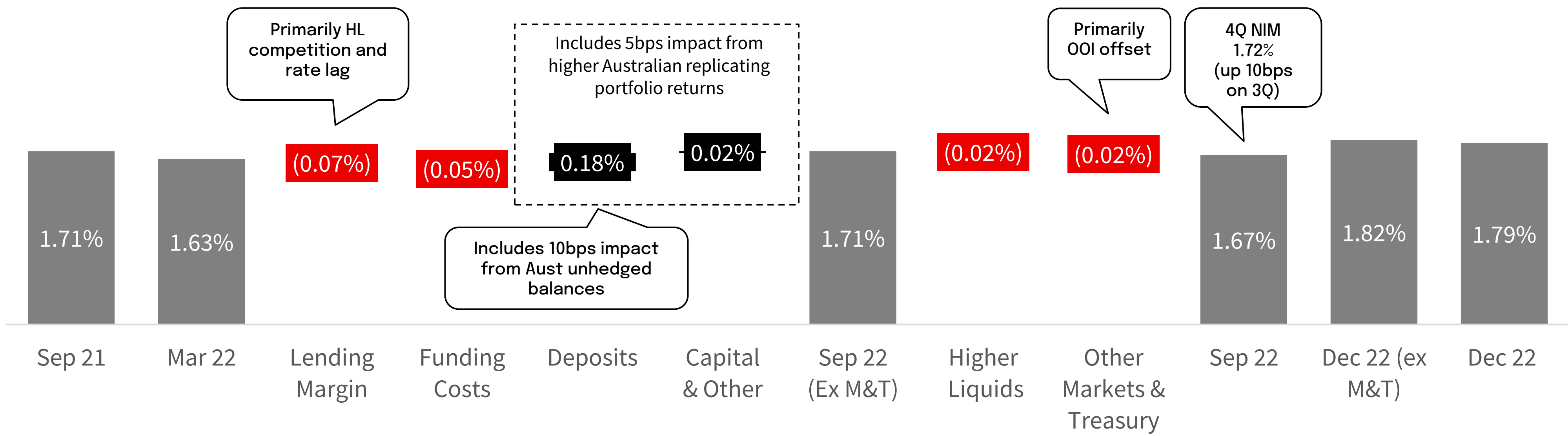
Outstanding issuance by currency[1]



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

Net interest margin

Net interest margin



Key considerations for FY23[1]

- Housing lending competitive pressures likely to intensify
- Deposit mix headwind accelerating, further increase in funding costs
- NIM impact of RBA cash rate increases on unhedged deposits expected to peak in 1H23; estimated benefit of cash rate increases from Oct 22 expected to be lower
- Benefit of higher swap rates on deposit and capital replicating portfolios over FY23 of ~10bps p.a. based on 30 Sep 22 swap rates[2]
- Liquids impact fairly neutral

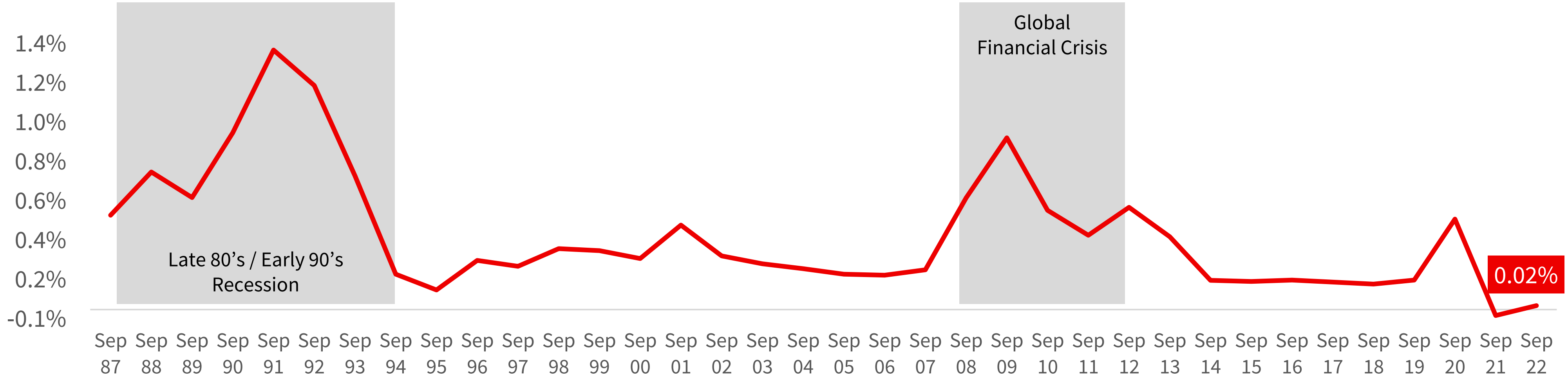
(1) Refer to key risks, qualifications and assumptions in relation to forward looking statements on slide 33
(2) Based on 3 and 5 year swap rates for the Australian capital and deposit replicating portfolios respectively, AIEA and replicating portfolio volumes at 30 Sep 22

Additional information

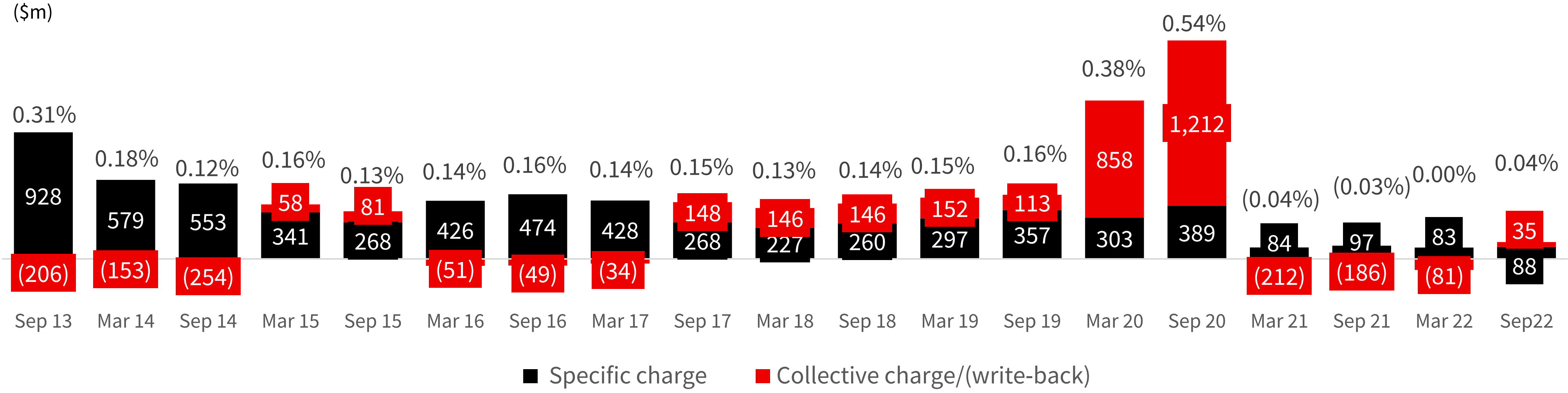
FY22 Results

Group credit impairment charge

Credit impairment charge as % of GLAs



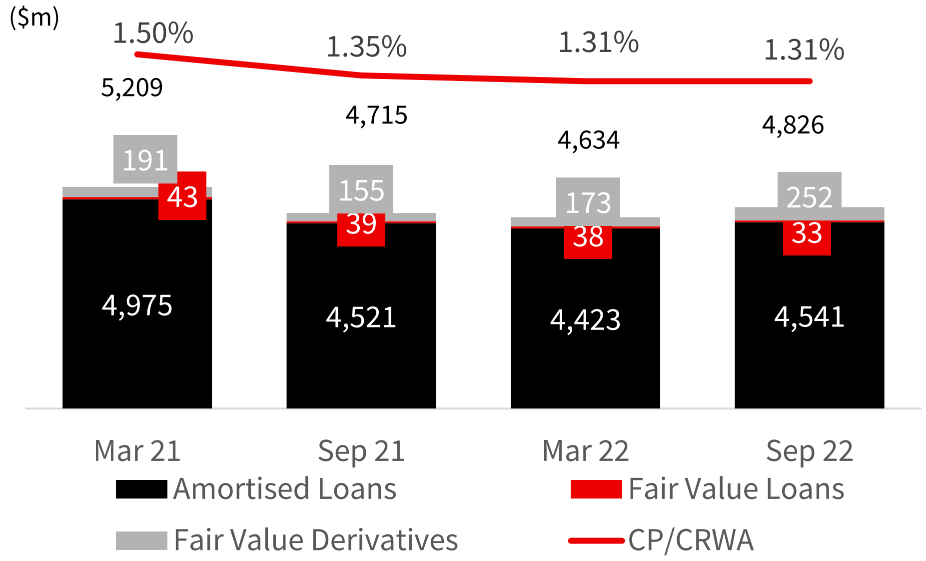
Credit impairment charge and as a % of GLAs[1]



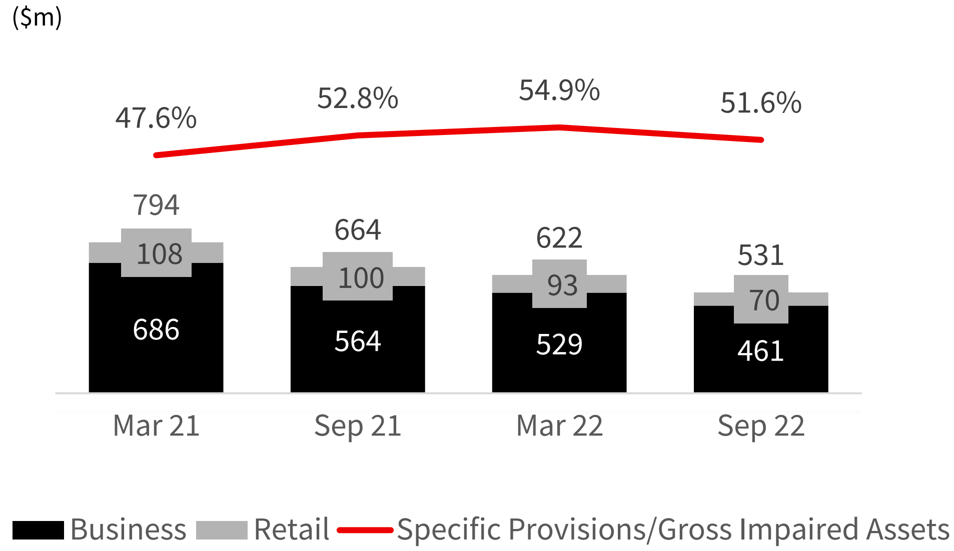
(1) Ratios for all periods refer to the half year ratio annualised

Group provisions

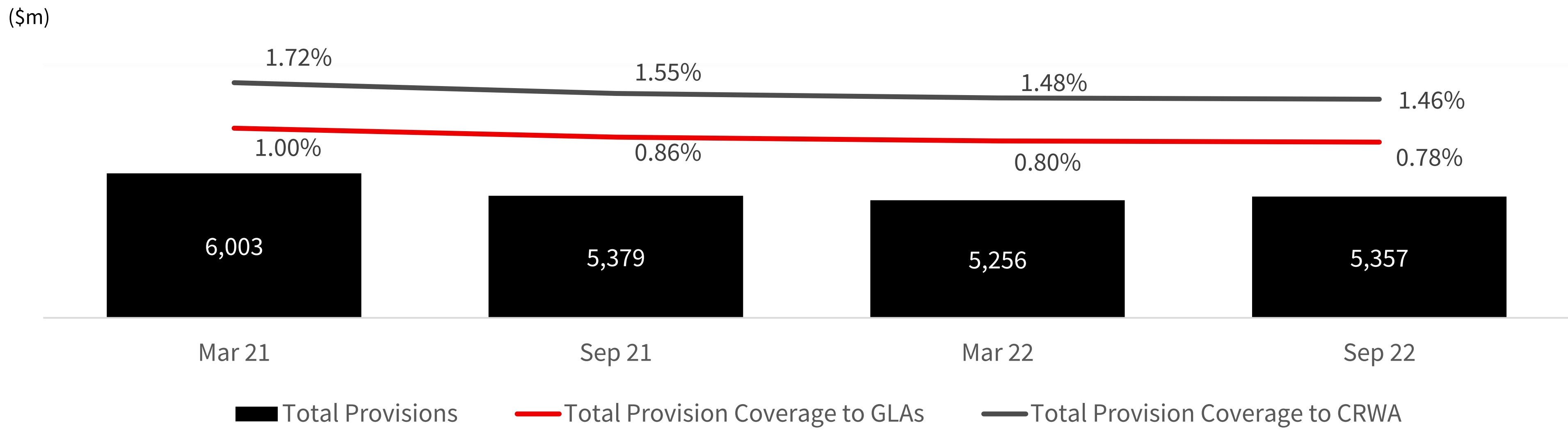
Collective provisions



Specific provisions



Total provisions



ECL assessment

ECL scenarios & weightings

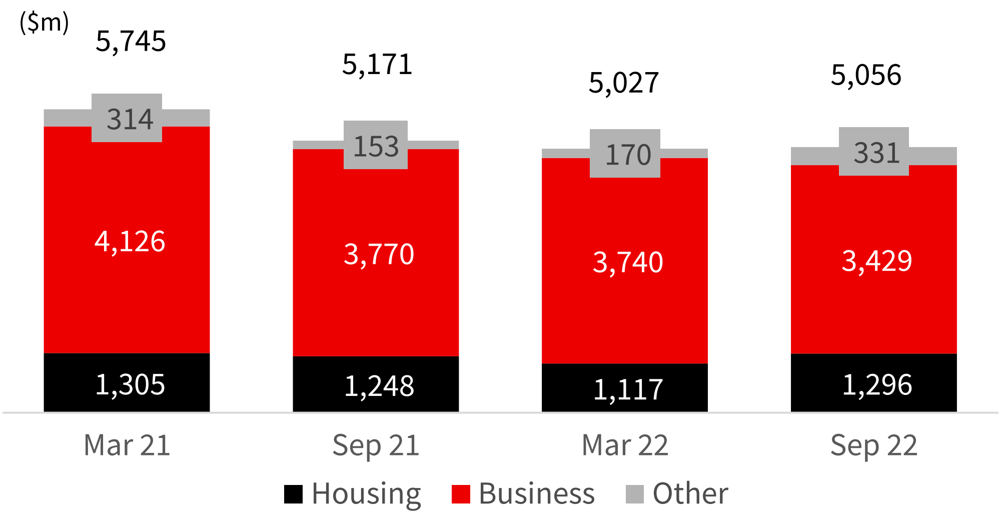
Total Provisions for ECL[1,2]			
$m	2H22 (probability weighted)	100% Base case	100% Downside
Total Group	5,056	4,292	6,008
Increase/(decrease) vs Mar 22	29	229	(439)

Macro economic scenario weightings[3]			
Australian Portfolio (%)	Upside	Base case	Downside
31 Mar 22	2.5	57.5	40.0
30 Sep 22	2.5	52.5	45.0

Key considerations

- Increase in ECL vs Mar 22 includes growth in the Australian business lending portfolio, the acquisition of the Citi Consumer Business and deterioration in the base case economic variables
- $89m SP reduction due to work-outs and low levels of new impairments
- $190m release from target sector FLAs
- $107m EA top up mainly reflecting increased stress in base case economics, including a reduction of 14.3% for Australian house prices in 2023

Total provisions for expected credit losses[1]



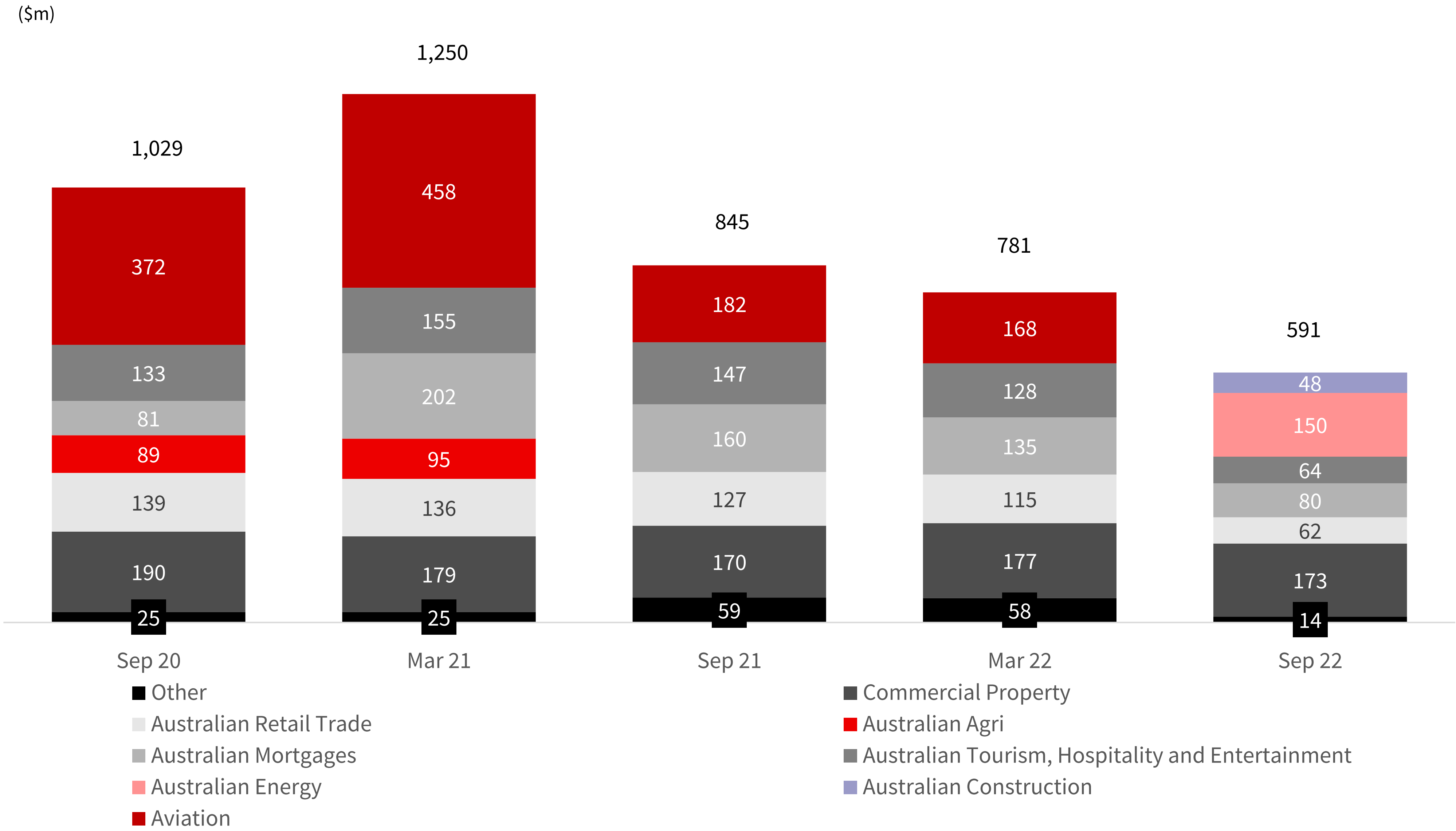
Economic assumptions

Australian economic assumptions considered in deriving ECL						
	Base case			**Downside**		
%	**FY23**	**FY24**	**FY25**	**FY23**	**FY24**	**FY25**
GDP change YoY	1.7	1.7	2.3	(4.4)	0.8	2.7
Unemployment	4.0	4.2	4.2	8.5	10.1	9.7
House price change YoY[4]	(14.3)	3.0	3.0	(21.9)	(10.4)	1.5

(1) ECL excludes provisions on fair value loans and derivatives. Sep 22 total provisions for Housing and Other includes the impact of the Citi Consumer Business acquisition
(2) Scenarios, prepared for purposes of informing forward looking provisions, rely on NAB Economics modelling and management judgement
(3) There is no change to the scenario weightings for New Zealand portfolio during 2H22. At Sep 22, these weightings are consistent with the Australian portfolio
(4) House price change in addition to 5% decline to Sep 22

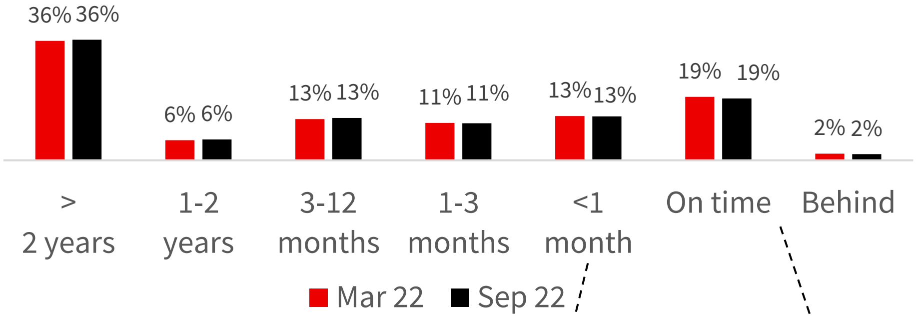
Target sector FLAs

Collective provision target sector FLAs



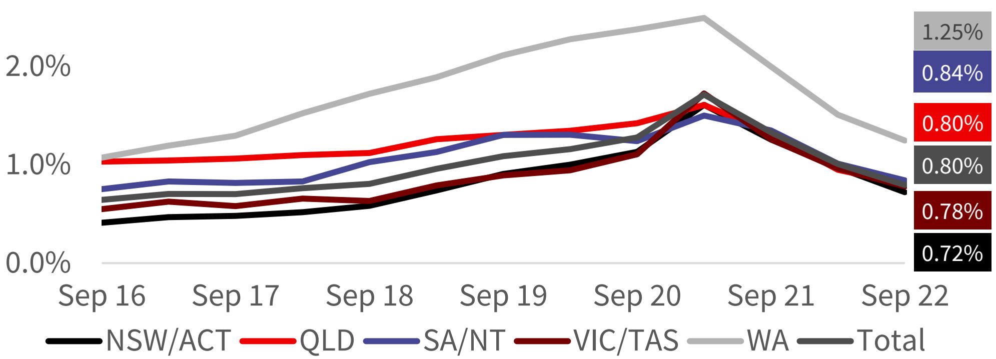
Housing lending portfolio profile

Offset and redraw balances multiple of monthly repayments[1]

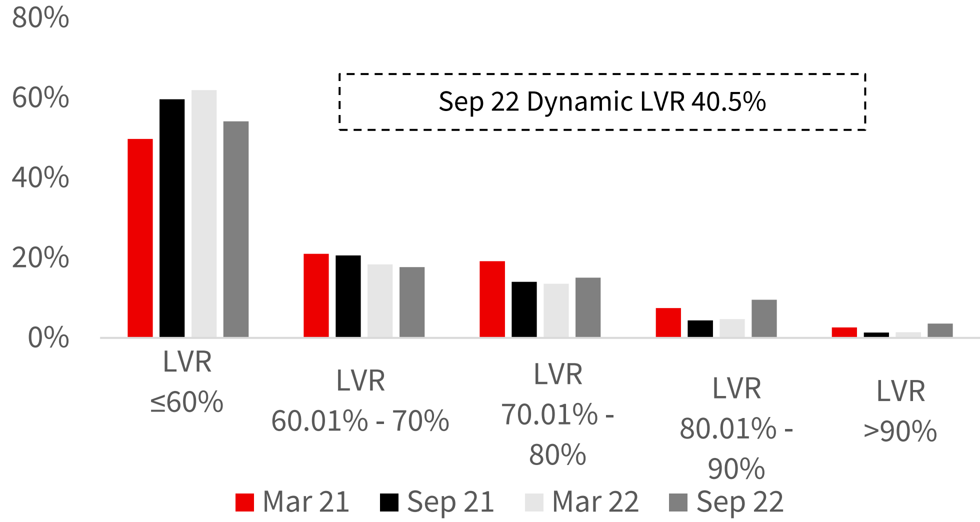


Profile of repayments <1 month, on time[1]

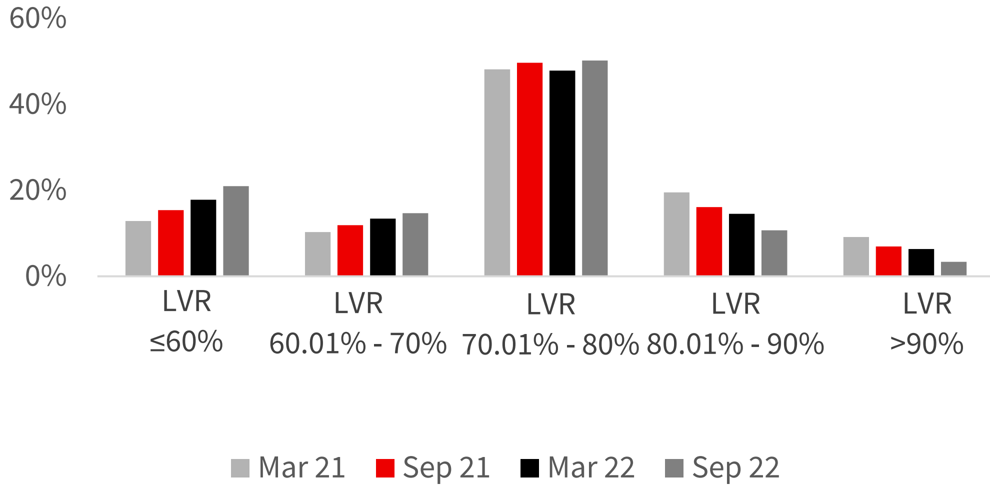
Housing lending 90+DPD & GIAs as a % of GLAs[2]



Dynamic LVR breakdown of drawn balance[2]



LVR breakdown at origination[2]



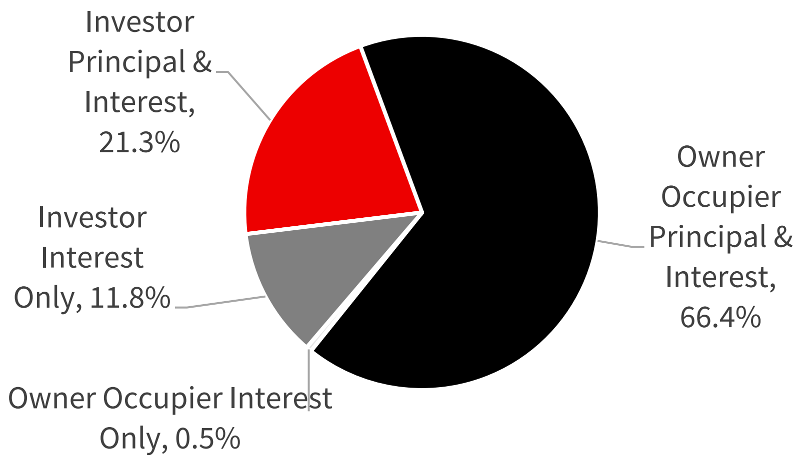
(1) By accounts. Includes offsets. Excludes line of credit, Citi Consumer Business and 86 400 platform
(2) Excludes 86 400 platform and Citi Consumer Business

Housing lending fixed rate portfolio profile[1]

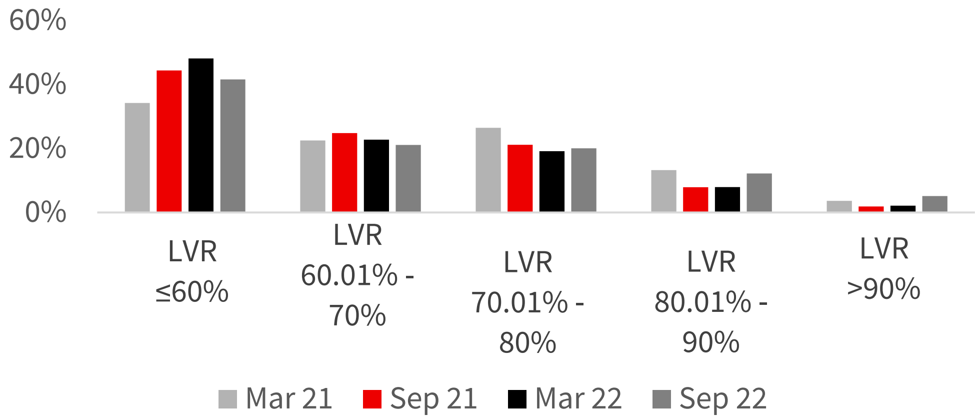
Fixed rate (FR) lending book

- $108bn FR book, rolls to VR loan at expiry
- ~78% of fixed rate loans expire over the next two years, with early engagement planning underway
- 63% originated since Oct 20
- 53% of customers also have a VR loan i.e. split loan
- All loans originated in past 2 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

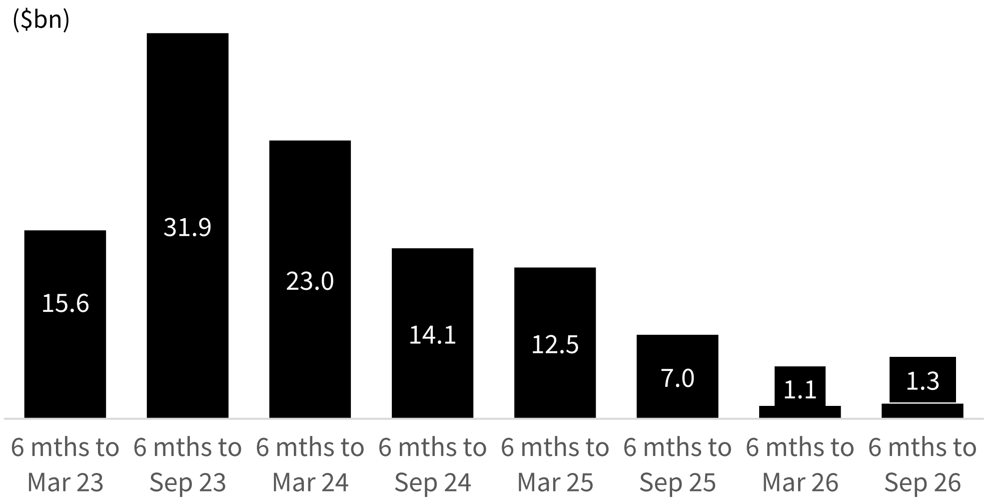
FR housing lending volume by borrower and repayment type



FR Dynamic LVR



FR home loan expiry profile



(1) Excludes 86 400 platform and Citi Consumer Business

Housing lending repayment profile

Key considerations

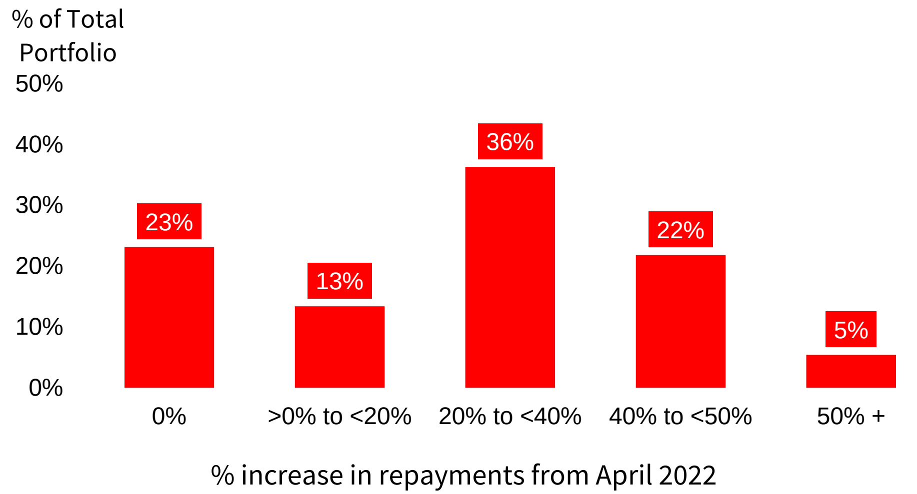
- All variable rate (VR) loan repayments will be reviewed at least once by early Jan 23 with payments adjusted accordingly; moving to quarterly repayment reviews from February (previously annual)
- $48bn FR loans expiring in FY23; 88% of all FR loans are P&I
- Early engagement commenced for customers identified as potentially at repayment risk

Profile of mortgage repayments at 3.60% cash rate[1,3]

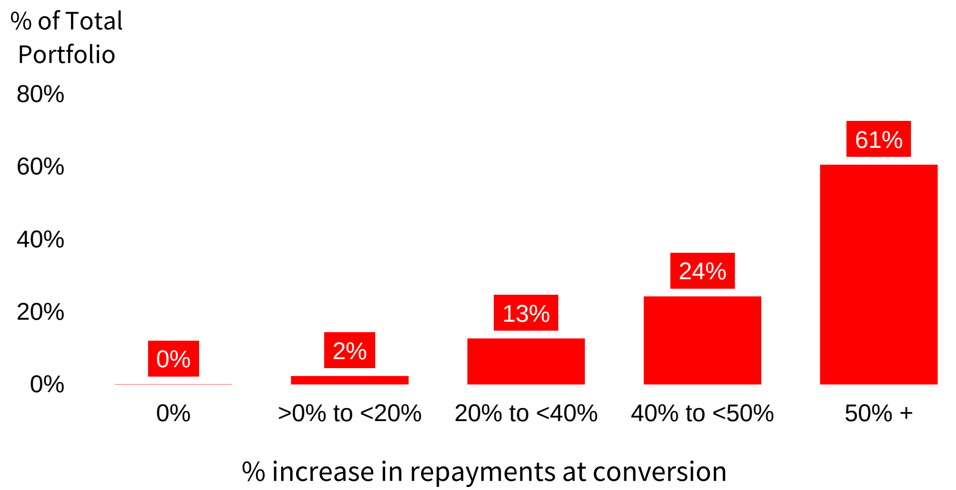
Repayment profile from April 22 at 3.60% cash rate	VR P&I $178bn	FR expiring by Sep 23 $32bn[4]
% of accounts with monthly repayment increase, **for which:**	77%	100%
- Avg monthly % increase	34%	70%
- Avg monthly $ increase	$549	$972
- % of accounts with >40% increase in monthly repayments	35%	85%

Profile of mortgage repayments at 3.60% cash rate[1,2,3]

Variable rate principal & interest book



Fixed rate book expiring by Sep 23[4]



(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) Fixed Rate loans drawn down since Aug 19 with expiry between Sep 22 and Sep 23

Housing lending practices & policies

Key origination requirements

Income	• Income verified using a variety of documents including payslips and/or checks on salary credits into customers' accounts • 20% shading applies to less certain incomes (temporarily increased to 30% in May 2020, reduced back to 20% in November 2020)
Household expenses	Assessed using the greater of: • Customers' declared living expenses, enhanced in 2016 to break down into granular sub categories • Household Expenditure Measure (HEM) benchmark plus specific customer declared expenses (e.g. private school fees). HEM is adjusted by income and household size
Serviceability	• Assess customers' ability to repay based on the higher of the customer rate plus serviceability buffer (3.0%[1]) or the floor rate (5.75%[2]) • Assess Interest Only loans on the full remaining Principal and Interest term
Existing debt	• Verify using declared loan statements and assess on the higher of the customer rate plus serviceability buffer (3.0%[1]) or the floor rate (5.75%[2]) • Assessment of customer credit cards assuming repayments of 3.8% per month of the limit • Assessment of customer overdrafts assuming repayments of 3.8% per month of the limit

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 2022 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 Nov 21
(2) Serviceability floor increased by 0.80% to 5.75% as of 9 Sep 22

Housing lending key metrics[1]

Australian Housing Lending	Mar 21	Sep 21	Mar 22	Sep 22	Sep 21	Mar 22	Sep 22
	Portfolio				Drawdowns[2]		
Total Balances (spot) $bn	300	309	322	329	49	49	42
Average loan size $'000 per account	310	315	324	334	427	468	489
By product type							
- Variable rate	67.8%	61.3%	58.7%	63.4%	41.9%	53.3%	86.0%
- Fixed rate	27.3%	34.4%	37.4%	32.9%	56.9%	45.2%	12.5%
- Line of credit	4.9%	4.4%	4.0%	3.7%	1.2%	1.5%	1.5%
By borrower type							
- Owner Occupied	64.4%	65.4%	65.4%	65.5%	67.8%	62.5%	64.4%
- Investor	35.6%	34.6%	34.6%	34.5%	32.2%	37.5%	35.6%
By channel							
- Proprietary	60.0%	58.2%	55.8%	53.9%	48.8%	44.9%	40.7%
- Broker	40.0%	41.8%	44.2%	46.1%	51.2%	55.1%	59.3%
Interest only[3]	13.6%	12.7%	12.9%	13.4%	18.9%	22.5%	22.1%
Low Documentation	0.3%	0.3%	0.3%	0.2%			
Offset account balance ($bn)	33	34	38	39			
LVR at origination	69.5%	69.6%	69.5%	69.2%	72.1%	70.8%	68.2%
Dynamic LVR on a drawn balance calculated basis	42.3%	38.8%	37.9%	40.5%			
Customers with offset and redraw balances ≥1 month repayment[4]	66.6%	66.4%	65.6%	66.4%			
Offset and redraw balances multiple of monthly repayments	44.2	46.2	47.6	45.6			
90+ days past due	1.61%	1.24%	0.93%	0.73%			
Impaired loans	0.10%	0.10%	0.08%	0.06%			
Specific provision coverage ratio	32.8%	32.3%	34.0%	30.5%			
Loss rate[5]	0.01%	0.01%	0.01%	0.01%			
Number of properties in possession	113	169	155	135			

(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

AUSTRAC Enforceable Undertaking

national australia bank

Overview of Enforceable Undertaking

- Following its investigation, AUSTRAC accepted an Enforceable Undertaking (EU) from NAB in April 2022 to lift its compliance with AML/CTF laws
- 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
- External Auditor to provide a final report to NAB covering the period up to 31 March 2025
- The EU will end on the date that the AUSTRAC CEO provides written consent to the cancelling or withdrawal of the EU

Status as at September 2022

- An External Auditor was appointed in May 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
- Many activities under the RAP have commenced and some have been completed (subject to confirmation by the External Auditor)
- Estimated costs of \$80-\$120m p.a. in FY23 and FY24 (in addition to \$103m in FY22) to deliver the EU requirements, including:
  - Costs to complete the Customer Identify Remediation in progress
  - Additional FTE required to undertake activities in the timeframes required
  - Costs of the appointed Auditor
  - Ongoing costs associated with overseeing delivery of the RAP

Sustainability is embedded in our Group Strategy

national australia bank

Commercial responses to society's biggest challenges

Resilient and sustainable business practices

Innovating for the future

Our priorities

- Climate action
- Affordable and specialist housing
- Indigenous business

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

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

Aligned to six key United Nations Sustainable Development Goals[1] – where we can make the biggest impact

(1) www.un.org/sustainabledevelopment

Four key pillars to our climate strategy

Grow by supporting our customers to decarbonise and to build resilience

- Supporting customers with their transition plans and working with 100 of our largest GHG emitting customers – completed maturity transition assessments for 86
- A leader in sustainable finance solutions, providing \$70.8bn in environmental financing since 2015[1], meeting and exceeding our target of \$70bn by 2025
- Developing product offerings across divisions

Reducing financed emissions

- Member of Net Zero Banking Alliance
- Goal of aligning with pathways to net zero by 2050, consistent with limiting warming to 1.5°C above pre-industrial levels by 2100

We have set interim sector decarbonisation targets for four of our most emissions-intensive sectors.
Details available in our 2022 Climate Report

Investing in climate capabilities

- Investing in colleagues, technology and processes, and risk management
- Chief Climate Officer role created and recruitment process underway
- Completed the APRA-led Climate Vulnerability Assessment

Reducing operational emissions

- Certified carbon neutral in operations since 2010 through Climate Active[2]
- Sourced renewable energy for 72% of Group electricity consumption
- 74% reduction in operational GHG emissions against a 30 June 2015 baseline[3]

(1) Represented as a cumulative flow of new environmental finance since 1 October 2015. Refer to the Group's 2022 Climate Report for reference to how the environmental financing target is calculated
(2) Certified carbon neutral since 1 July 2010. NAB has a forward purchasing approach and forward purchased and retired offsets for the environmental reporting year (1 July 2010 to 30 June 2011) to be carbon neutral for 2011 and meet certification obligations, under the Australian Government's Carbon Neutral Program, now administered by Climate Active
(3) Significant progress demonstrated since 2020 against the Group's science-based target to reduce operational Scope 1 and 2, however, performance has been influenced by COVID-19 impacts and we do not expect all of the reductions achieved to date to be permanent. Includes our net operational Scope 1 and 2 GHG emissions, 2021 and 2022 figures calculated using a market-based approach

Our progress on Climate

Key areas of focus in FY22

- Member of the Net Zero Banking Alliance
- Inaugural Climate Report published in FY22 reporting suite
    - articulates our Climate Strategy
    - includes decarbonisation targets for four emissions-intensive sectors

- Continue supporting customers with their transition plans

86 transition maturity assessments completed as we work with 100 of our largest GHG emitting customers

- Reducing our operational emissions

74% reduction in operational Scope 1 and Scope 2 GHG emissions against a 30 June 2015 baseline[1]

Continue to be a leader in Sustainable Finance

#1 Australian bank for Global renewables transactions[2]

$70.8bn in environmental financing since 2015, met and exceeded target of $70bn by 2025[3]

Ongoing focus on innovative sustainable financing

- Offering eligible home loan customers lower variable rates on homes that meet energy efficient criteria[4]
- Co-led North Queensland Airports (NQA) innovative sustainability-linked loan helping to address climate change, biodiversity and employment of First Nations peoples

Image: NQA Environment Manager with Dawul Wuru Aboriginal Corporation Senior Ranger and Dawul Wuru Aboriginal Corporation Project Manager

(1) Significant progress demonstrated since 2020 against the Group's science-based target to reduce operational Scope 1 and 2, however, performance has been influenced by COVID-19 impacts and we do not expect all of the reductions achieved to date to be permanent. Includes our net operational Scope 1 and 2 GHG emissions, 2021 and 2022 figures calculated using a market-based approach
(2) Rankings based on IJGlobal League Table MLA, Renewables, both cumulative data from 1 Jan 2010 to 30 Sept 22 and for the 12 months ending 30 Sep 22
(3) Represented as a cumulative flow of new environmental finance since 1 October 2015. Refer to the Group's 2022 Climate Report for reference to how the environmental financing target is calculated
(4) Customers with a Loan to Value Ratio greater than 80% making principal and interest repayments on a Base Variable Lending Rate home loan or Tailored Home Loan may be eligible for lower variable rates of up to 1% Properties must have a minimum NatHERS 7-star rating or a Green Building Council of Australia Green Star rating

Grow by supporting our customers to decarbonise

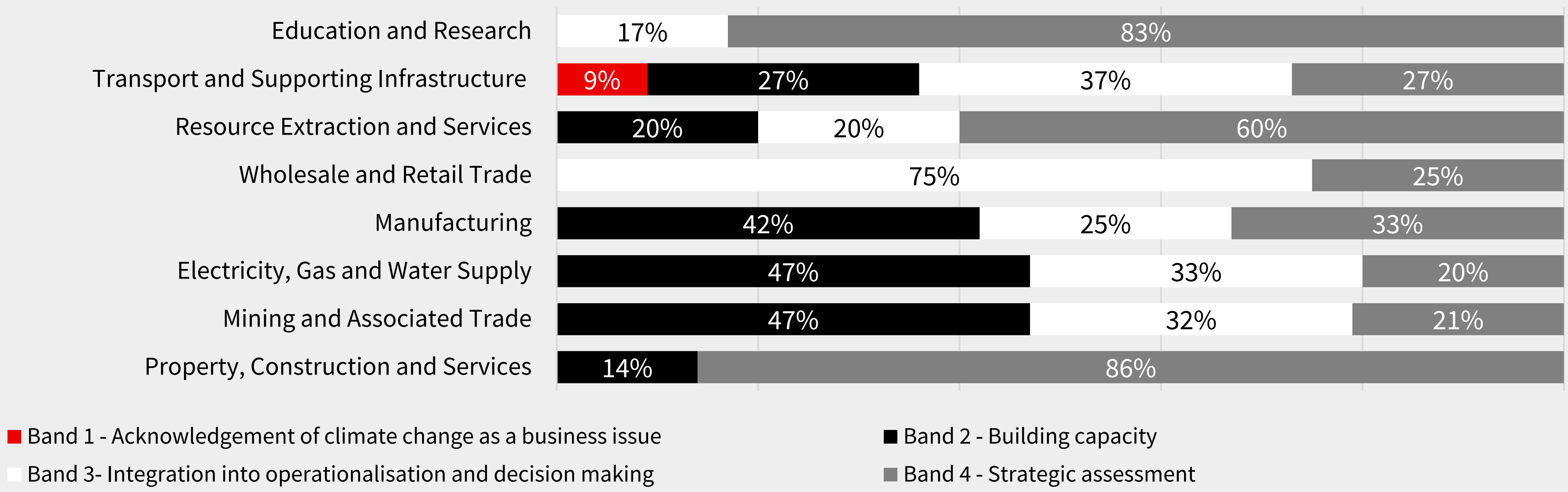
Supporting customers with their transition plans

- In 2020, set a target to work with 100 largest GHG emitting customers by September 2023 to support them as they develop or improve transition plans
- Completed transition maturity assessments for 86 of these customers
- Seek to further embed customer transition assessments in our processes

Transition maturity assessment completed for 86 customers

- 100% acknowledge climate change as a business issue
- 76% have committed to the Taskforce on Climate-Related Financial Disclosures (TCFD) framework
- 63% have set a goal to be net zero by 2050 or sooner

Transition maturity of 86 of our largest emitting customers by sector[1]



(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. Percentage breakdown per sector may not sum to 100 due to rounding

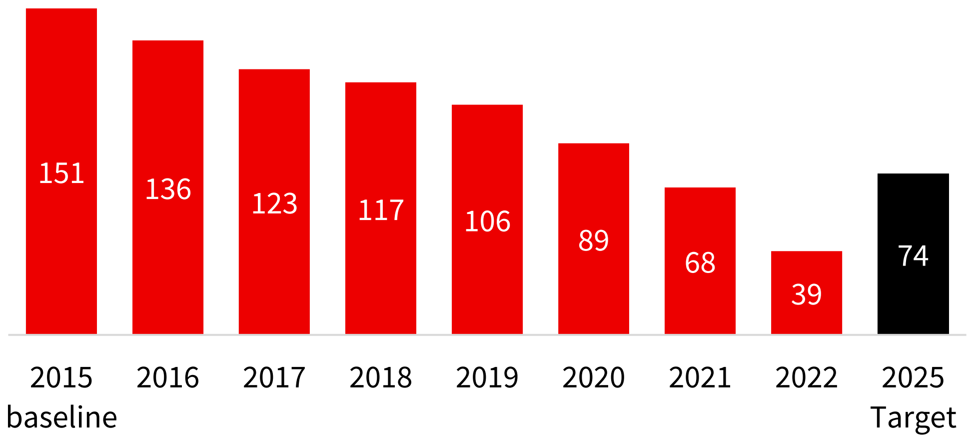
Reducing operational emissions

Working to achieve net zero emissions in our operations

- 74% reduction in Scope 1 and Scope 2 emissions as at 30 June 2022, against a 30 June 2015 baseline[1]
- 72% of electricity consumption from renewable sources, increased from 31% prior year, against target of 100% by 30 June 2025[2]
- Certified carbon neutral in operations since 2010 through Climate Active[3]
- Performance against targets has continued to be influenced by COVID-19 impacts (e.g. reduction in travel, building shutdowns), although efficiencies due to the consolidation of NAB's commercial office buildings have also reduced energy usage and associated emissions

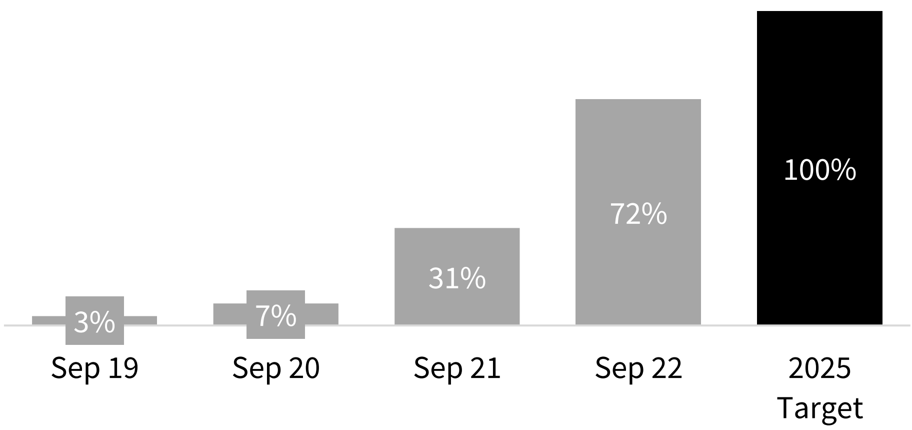
Group operational GHG emissions (Scope 1 & 2)[1]

(tCO_2-e 000's)



Group electricity consumption from renewable sources[2]

(% of total electricity consumption)



(1) Since 2020, significant progress has been made towards the Group's 2025 science-based target. Reduction achieved through additional sourcing of renewable energy, increased efficiency in property network and temporary reductions due to COVID-19. We do not expect all of the COVID-19 related reductions achieved to date to be permanent. Includes net operational Scope 1 and 2 GHG emissions, 2021 and 2022 figures calculated using a market-based approach. NAB will review this target in 2023. Refer to NAB's 2022 Sustainability Data Pack for more information, see nab.com.au/annualreports

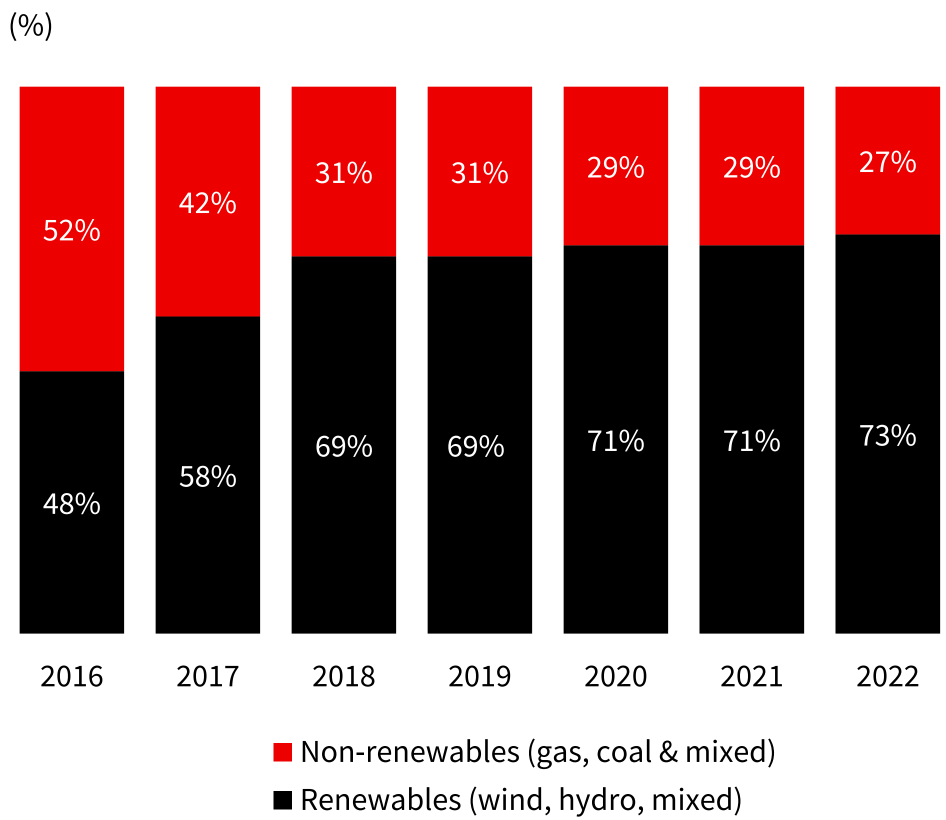
(2) NAB's operational environmental numbers are reported on a July-June performance period. Progress towards NAB's RE100 target has been influenced by COVID-19 and a resultant decrease in electricity consumption. We do not expect all progress achieved to date to be permanent

(3) Certified carbon neutral since 1 July 2010. NAB has a forward purchasing approach and forward purchased and retired offsets for the environmental reporting year (1 July 2010 to 30 June 2011) to be carbon neutral for 2011 and meet certification obligations, under the Australian Government's Carbon Neutral Program, now administered by Climate Active

Energy generation exposures

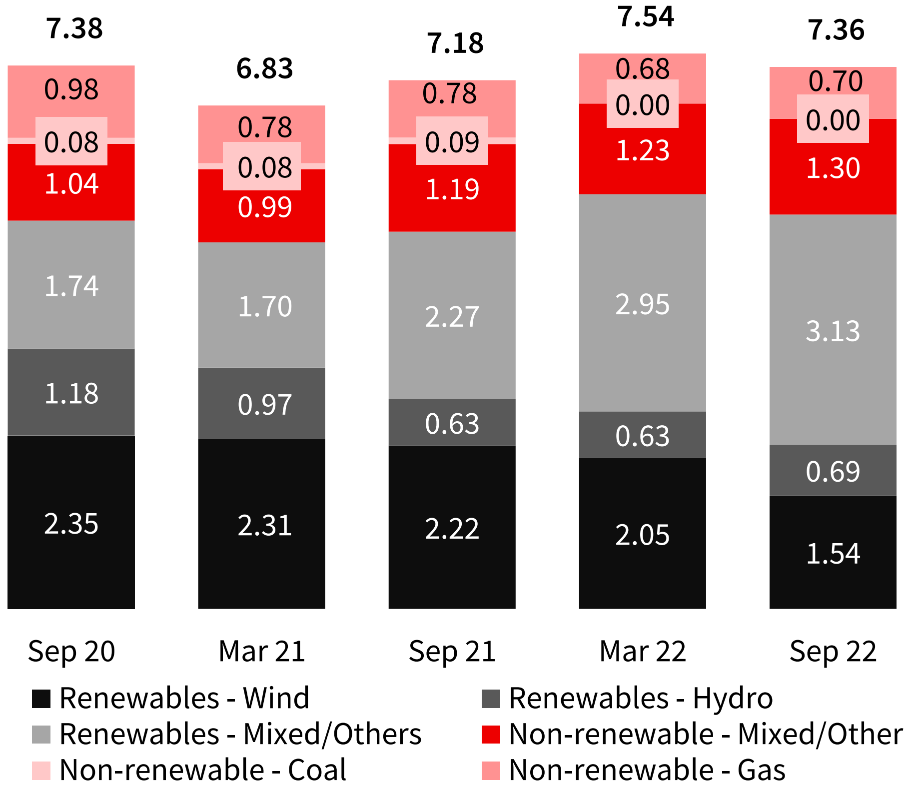
73% of energy generation financing is to renewables

Energy generation EAD split by renewable and non-renewable



Energy generation EAD by fuel source[1]

(AUD$bn)

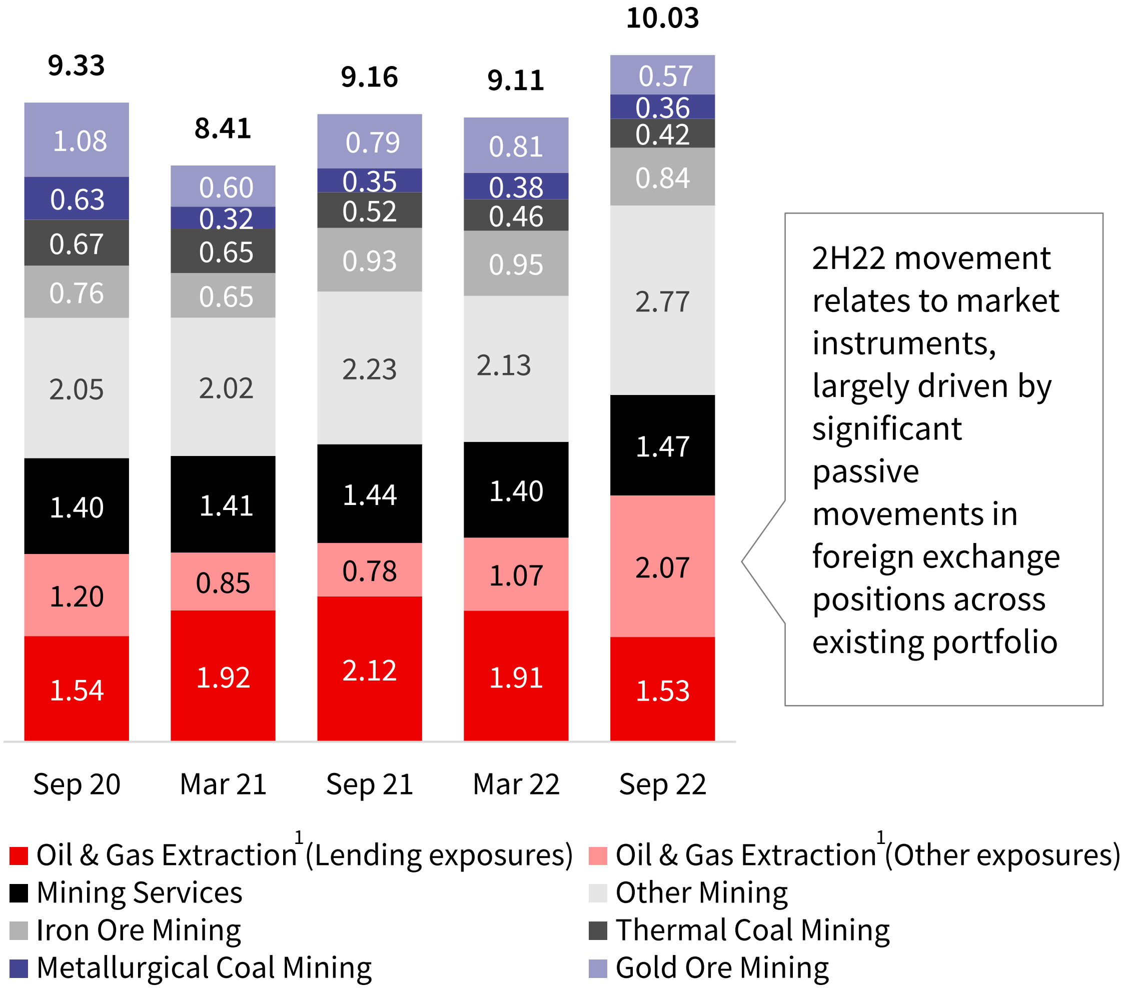


- Steady increase in financing for renewable energy over time, to now be 73% of total energy generation
- Change in portfolio exposures by fuel source in past year primarily due to a decline in direct financing to wind projects, partially offset by increase in financing to customers classified as mixed portfolio of renewable generation

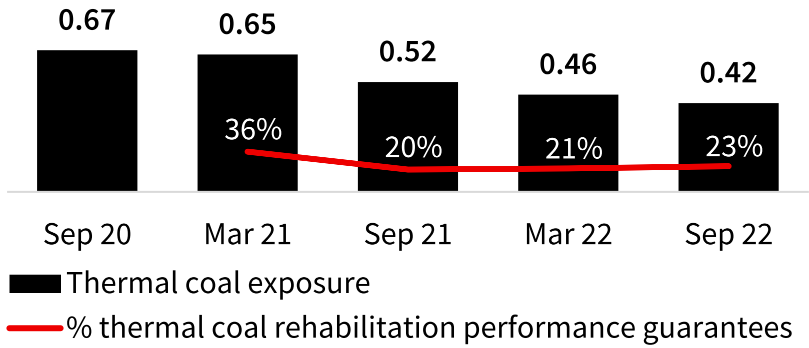
(1) NAB methodology (based upon the 1993 ANZSIC codes) at net EAD basis. Excludes exposure to counterparties predominantly involved in transmission and distribution. Vertically integrated retailers included and categorised as renewable where majority of their generation activities sourced from renewable energy. NAB has no direct lending to coal-fired power generation assets remaining, however there is indirect exposure to coal- fired power within the Mixed Fuel category as a result of NAB's corporate level exposure impact

Resources exposures

Resources (AUDbn) exposure by type



Thermal coal mining (AUDbn) exposure[2,3]



Oil & Gas extraction – lending only (USDbn) exposure[4]

- Oil and gas (lending exposures) presented in USD as majority of lending is denominated in USD
- NAB's NZBA-aligned oil and gas sector target (See Climate Report) guides intended financed emissions reduction

(1) Oil and gas extraction EAD includes lending (e.g. revolving/term lending and guarantees) and other markets-related exposures (e.g. derivatives, foreign exchange, repurchase agreements)
(2) Thermal coal EAD includes direct exposure to customers whose primary activity is thermal coal mining. EAD for these caps includes lending, derivatives and performance guarantees for the rehabilitation of existing assets. Excludes metallurgical coal mining and diversified mining customers. NAB's NZBA-aligned sector decarbonisation target includes diversified mining customers with revenue >5% from direct sale of thermal coal and excludes metallurgical coal mining customers
(3) % of thermal coal EAD for performance guarantees to rehabilitate existing assets available from March 2021
(4) Relevant exposure conversions based on rates of AUD/USD 0.72115 (Sep 21); AUD/USD 0.74855 (Mar 22); and AUD/USD 0.64925 (Sep 22)

ESG governance and performance

Board committees

Audit Committee	Customer Committee	Nomination & Governance Committee	People & Remuneration Committee	Risk & Compliance Committee
Chair: David Armstrong	Chair: Ann Sherry	Chair: Philip Chronican	Chair: Anne Loveridge	Chair: Simon McKeon

Updates on ESG risks are provided to the Board Risk & Compliance Committee and Board as appropriate

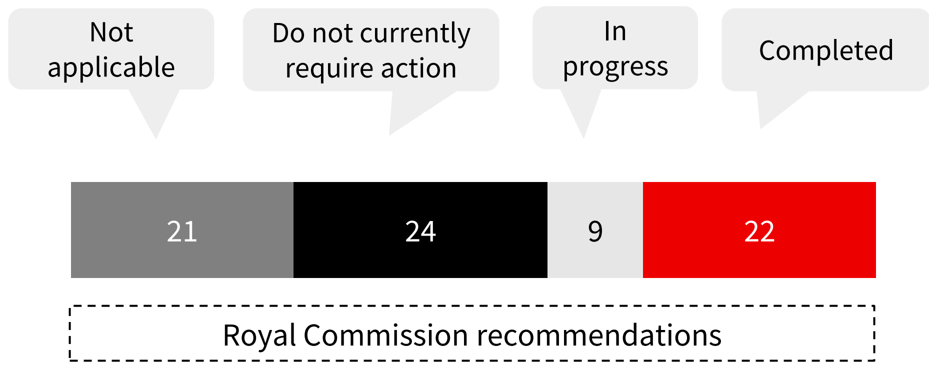
Executive ESG-related committees and councils

Sustainability Council	Executive Risk & Compliance Committee	Group Asset & Liability Committee	Group Credit & Market Risk Committee
Chair: Les Matheson	Chair: Shaun Dooley	Chair: Gary Lennon	Chair: David Gall

Implementation of APRA self-assessment actions and Royal Commission recommendations

- Of 26 actions identified in NAB's 2018 Self-Assessment, all are now embedded and closed
- NAB has provided evidence in support of closure to APRA and continues to engage with APRA regarding formal closure of the Governance and Risk Transformation program, which brought together the issues identified in the self-assessment
- Reform program has driven improvement in governance, accountability and culture, to address the root causes of past failings
- The voice of the customer is now firmly represented, executive accountabilities are clear due to updated operating model and risk committee governance structure has improved ownership and accountability for risks and issues

- Actively Implementing all applicable reforms following the Banking & Financial Services Royal Commission



Disclaimer

THIS PRESENTATION DOES NOT CONSTITUTE AN OFFER TO SELL, OR THE SOLICITATION OF AN OFFER TO BUY, ANY SECURITIES IN THE UNITED STATES OR TO ANY “U.S. PERSON” (AS DEFINED IN REGULATION S UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE U.S. SECURITIES ACT)) AND MAY NOT BE DISTRIBUTED OR RELEASED, DIRECTLY OR INDIRECTLY, IN THE UNITED STATES. ANY SECURITIES OR BORROWING PROGRAMMES DESCRIBED IN THIS PRESENTATION HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE SECURITIES ACT AND MAY NOT BE OFFERED OR SOLD, DIRECTLY OR INDIRECTLY, IN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, ANY U.S. PERSONS UNLESS REGISTERED UNDER THE U.S. SECURITIES ACT OR OFFERED AND SOLD PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE U.S. SECURITIES ACT AND ANY OTHER APPLICABLE U.S. STATE SECURITIES LAWS.

The material in this presentation is general background information about the NAB Group current at the date of the presentation on 7 March 2023. The information is given in summary form and does not purport to be complete. 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. This presentation does not constitute or form part of and should not be construed as, an offer or invitation for the sale or purchase of any securities in any jurisdiction.

The presentation is for distribution only to persons who are not a "retail client" within the meaning of section 761G of the Corporations Act 2001 of Australia and are also sophisticated investors, professional investors or other investors in respect of whom disclosure is not required under Part 6D.2 or Chapter 7 of the Corporations Act 2001 of Australia and, in all cases, in such circumstances as may be permitted by applicable law in any jurisdiction in which an investor may be located. Each person receiving this presentation confirms that they are a person who is entitled to do so under all applicable laws, regulations and directives in all applicable jurisdictions.

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

There are 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 COVID-19 pandemic, 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 2022 Annual Report which is available at www.nab.com.au

Disclaimer

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. The definition of cash earnings 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 page 157 of the 2022 Annual Report . The Group's financial statements, prepared in accordance with the Corporations Act 2001 (Cth) and Australian Accounting Standards, and audited by the auditors in accordance with Australian Auditing Standards, are set out in the 2022 Annual Report.

This presentation is provided or shown to you on the basis that you are, and each person who reviews the information contained in this presentation will be deemed to represent and warrant, that you are either: (i) outside of the United States; or (ii) you are in the United States and(A) you are a "qualified institutional buyer" within the meaning of Rule 144A under the U.S. Securities Act and you acknowledge and agree that you will keep information in this presentation confidential.

Certain information in this presentation has been sourced from third parties. NAB takes no responsibility for the accuracy or completeness of such information. To the maximum extent permitted by law, neither NAB nor any entity in the Group (including, without limitation, each of their respective affiliates, shareholders, directors, officers, partners, employees, advisers and agents and any other person involved in the preparation of the presentation) accept any liability for any loss or damage arising from any use or reliance on anything contained in, or omitted from, this presentation.

This presentation includes credit ratings, which may only be distributed to a person who is permitted to receive a credit rating under the applicable law of the jurisdiction in which they are located. A credit rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by an assigning rating agency and any rating should be evaluated independently of any other information.
All amounts are in Australian Dollars unless otherwise stated.

The information contained in this presentation does not constitute or form part of any (i) offer or invitation or inducement to sell or issue, or any solicitation of any offer to purchase or subscribe for, any securities in any member of the NAB Group or any other securities or (ii) invitation or inducement to engage in investment activity within the meaning of Section 21 of the United Kingdom Financial Services and Markets Act 2000, as amended, nor shall any part of this presentation nor the fact of its distribution form part of or be relied on in connection with any contract or investment decision relating thereto, nor does it constitute a recommendation regarding the securities of any member of the NAB Group. The presentation is not being distributed to and must not be passed on to the general public in the UK. In the UK, the presentation is for distribution only to (i) persons who have professional experience in matters relating to investments who fall within Article 19(5) of the UK Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended, the "Order"); (ii) high net worth entities and other persons falling within Article 49(2)(a) to (d) of the Order; or (iii) other persons to whom it may otherwise lawfully be communicated in accordance with the Order.

Disclaimer

This presentation does not comprise a prospectus for the purposes of Regulation (EU) 2017/1129 (the "EU Prospectus Regulation") or Regulation (EU) 2017/1129 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 (the "UK Prospectus Regulation"). In respect of any offering of securities, a prospectus will be made available in accordance with the EU Prospectus Regulation and may be obtained in accordance with the EU Prospectus Regulation. Investors should not subscribe for any securities except on the basis of information contained in the prospectus.
This presentation may only be distributed in the European Economic Area or the UK to persons who are "qualified investors" as defined in the EU Prospectus Regulation or the UK Prospectus Regulation, as the case may be. The information contained in this presentation is given in confidence and you should not engage in any behaviour which would or might amount to market abuse for the purposes of the Market Abuse Regulation ((EU) 596/2014), including as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018.

Explanation Regarding Unregistered Credit Ratings: In order to ensure fairness and transparency in the market, a registration system for credit rating agencies has been introduced in Japan under the amended FIEL. Accordingly, when soliciting their customers using credit ratings issued by unregistered rating agencies, financial instruments firms are required by the FIEL to inform their customers of the fact that such credit ratings are the unregistered credit ratings and to provide other related information.

Significance of the Registration: Registered credit rating agencies are subject to the following regulations: (1) duty of integrity, (2) duty to develop the business management system for the prevention of conflict of interests / securing of the fairness of the rating process, (3) prohibition of assignment of rating in cases where the agency holds the securities to be rated, (4) duty to disclose information such as preparation and release of the rating policy and to make explanatory documents available to the public. Such rating agencies are also subject to supervision by the Financial Services Agency such as requirement of reports, on-site inspection, or business improvement orders. Unregistered rating agencies, however, are not subject to the above-mentioned restrictions or supervision. For details, please see the following home page of NAB Securities Limited. Although the information was prepared from information sources which we believe to be reliable, we do not guarantee its accuracy or completeness.

(https://www.nab.com.au/content/dam/nabrwd/documents/policy/corporate/explanation-regarding-unregistered-credit-ratings.pdf)

Unless otherwise defined herein, capitalised terms used in this presentation are as defined in the 2022 Full Year Results Investor Presentation.

For further information please contact:

Tom Wirth
Group Treasurer
Tom.C.Wirth@nab.com.au
Mobile | +61 (0) 438 094 009

Michael Johnson
Executive, Funding & Liquidity
Michael.N.Johnson@nab.com.au
Mobile | +61 (0) 400 621 839

Sarah Stokie
Debt Investor Relations
Sarah.M.Stokie@nab.com.au
Mobile | +61 (0) 477 721 489

Debt Investor Relations Email:
debtinvestorrelations@nab.com.au