Selected extracts of the 2024 Annual Report

(accessible)

National Australia Bank Limited

ABN 12 004 044 937

# Contents

[About this document 3](#_Toc181788330)

[2024 Annual Reporting Suite 4](#_Toc181788331)

[Overview 7](#_Toc181788332)

[Our business 12](#_Toc181788333)

[Strategy 15](#_Toc181788334)

[Evolving our Group Strategy 22](#_Toc181788335)

[Strategic highlights 24](#_Toc181788336)

[Operating environment 28](#_Toc181788337)

[Additional information 31](#_Toc181788338)

# About this document

This document provides selected extracts of the 2024 Annual Report in an accessible format. The selected extracts include:

* 2024 At a glance
* Chair’s message and CEO’s message
* Our business
* Strategy
* Strategic highlights
* Operating environment

This document is not a concise report prepared under section 314(2) of the *Corporations Act 2001* (Cth) and does not contain all information, visual aids, charts, diagrams, images and financial reports which will provide important additional context and which may be relevant to shareholders of, or investors in, NAB. NAB has not prepared a concise report for the 2024 financial year. Further information about NAB and the Group’s 2024 financial year is set out in NAB’s 2024 Annual Reporting Suite, as described below. NAB has done its best to include certain extracts of the Annual Report which it considers will be of assistance but given the nature of this document, there are limitations in including all the information which may be relevant to a person accessing this document.

# 2024 Annual Reporting Suite

## 2024 Annual Report

NAB’s **2024 Annual Report** provides information on the Group’s activities and performance during 2024. It outlines how NAB is creating value through its strategy, operating environment, governance, financial and non-financial activities. It is available online on [www.nab.com.au/annualreports](http://www.nab.com.au/annualreports) .

## Additional reporting suite documents

The 2024 Annual Report and the following documents form NAB’s 2024 Annual Reporting Suite, available online on [www.nab.com.au/annualreports](http://www.nab.com.au/annualreports).

### 2024 Full Year Results Investor Presentation

Information designed for analysts and institutional investors which accompanies the Group's Full Year Results Presentation.

### 2024 Management Discussion and Analysis

Management discussion and analysis of the Group's results for the year ended 30 September 2024.

### 2024 Climate Report

### Provides stakeholders with information on NAB's climate action-related activities and progress on its climate strategy. The report is guided by the recommendations of the Financial Stability Board's Task Force on Climate-related Financial Disclosures.

### 2024 Pillar 3 Report

Describes the Group's approach to risk management and provides details about risk exposures, capital adequacy and liquidity.

### 2024 Sustainability Data Pack

Provides further detail on the Group's Environmental, Social and Governance performance, in addition to the material themes covered in the Annual Report and the Climate Report.

## Certain definitions

The Group's financial year ends on 30 September. The financial year ended 30 September 2024 is referred to as 2024 and other financial years are referred to in a corresponding manner. Reference in this document to the year ended September 2024 are references to the twelve months ended 30 September 2024. Other twelve month periods referred to in this document are referred to in a corresponding manner. Reference in this document to the environmental reporting year are references to the twelve months ended 30 June 2024.

The abbreviations $m and $bn represent millions and thousands of millions (i.e. billions) of Australian dollars respectively.

Key terms used in this document are contained in the Glossary.

### Forward looking statements

This report 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 "ambition", "believe", "estimate", "plan", "project", "anticipate", "expect", "goal", “target”, "intend", “likely”, "may", "will", “could” or "should" or, in each case, their negative or other variations or other similar expressions, or by discussions of strategy, plans, objectives, targets, goals, future events or intentions. Indications of, 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 many factors that could cause actual results to differ materially from those projected in such statements, including (without limitation) a significant change in the Group’s financial performance or operating environment; a material change to law or regulation or changes to regulatory policy or interpretation; and risks and uncertainties associated with the ongoing impacts of the Russia-Ukraine and Middle Eastern conflicts and other geopolitical tensions, the Australian and global economic environment and capital market conditions. Further detail is contained in NAB’s 2024 Annual Report under *Disclosure on Risk factors.*

### Non-IFRS key financial performance measures used by the Group

Certain financial measures detailed in the selected extracts of the 2024 Annual Report are not accounting measures within the scope of International Financial Reporting Standards (IFRS). Management use these financial metrics to evaluate the Group’s overall financial performance and position and believe the presentation of these financial measures provide useful information to analysts and investors regarding the results of the Group's operations. These financial performance measures include: cash earnings, statutory return on equity, cash return on equity, net interest margin, total average equity (attributable to owners of the Company), average interest earning assets and total average assets.

The Group regularly reviews the non-IFRS measures included in its reporting documents to ensure that only relevant financial measures are incorporated. Any non-IFRS measures included in this document are not a substitute for IFRS measures and readers should consider the IFRS measures as well. The non-IFRS measures have not been presented in accordance with Australian Accounting Standards, nor audited or reviewed in accordance with Australian Auditing Standards unless they are included in the financial statements in NAB’s 2024 Annual Report.

### Information about cash earnings

Cash earnings is a non-IFRS key financial performance measure used by the Group and the investment community.

The Group also uses cash earnings for its internal management reporting as it better reflects what is considered to be the underlying performance of the Group. Cash earnings is calculated by adjusting statutory net profit from continuing operations for certain non-cash earnings items. Non-cash earnings items are those items which are considered separately when assessing performance and analysing the underlying trends in the business. These include items such as hedging and fair value volatility, the amortisation of acquired intangible assets and gains or losses and certain other items associated with the acquisition, integration, disposal and closure of Group businesses.

Cash earnings does not purport to represent the cash flows, funding or liquidity position of the Group, nor any amount represented on a statement of cash flows. It is not a statutory financial measure and is not presented in accordance with Australian Accounting Standards and is not audited or reviewed in accordance with Australian Auditing Standards.

Cash earnings for the year ended 30 September 2024 has been adjusted for the following:

* Hedging and fair value volatility
* Amortisation of acquired intangible assets
* Acquisitions, integration, disposals and business closures.

# Overview

## 2024 at a glance

### Key financial performance measures

* $6.96 billion statutory net profit, 6.1% decrease from 2023
* $7.10 billion cash earnings[[1]](#footnote-2), 8.1% decrease from 2023
* $1.69 dividend declared per share (for the full year), $0.02 higher than 2023
* 12.35% Common Equity Tier 11, 13 basis points increase from 2023
* 11.6% cash return on equity1, 130 basis points decrease from 2023
* 227.0 cents diluted cash earnings per share1, 4.6% decrease from 2023

### Other key performance measures

* Net Promoter Score (NPS) – Mass Consumer [[2]](#footnote-3) [[3]](#footnote-4) -2, #3 among major Australian banks
* First Nations economic advancement $463.8m towards $1bn in lending to First Nations businesses and community organisations by the end of 2026 (spot balance)[[4]](#footnote-5)
* NPS – High Net Worth and Mass Affluent 2 [[5]](#footnote-6)  2, #1 among major Australian banks
* Access to affordable housing $4.4bn cumulative towards $6bn in lending to affordable and specialist housing by 2029
* NPS – Business2 [[6]](#footnote-7) 8, #2 among major Australian banks
* Climate action $7.3bn towards $80bn by 2030 environmental finance ambition[[7]](#footnote-8)
* NPS – Large Corporate & Institutional[[8]](#footnote-9) 44, equal #1 among major Australian banks
* Colleague engagement score 78, 1 point above top quartile target score of 77[[9]](#footnote-10)

## Chair’s message

### By Philip Chronican, Chair

**A new chapter**

NAB has continued to benefit from strong and stable leadership focused on consistent and disciplined execution of the bank’s strategy during the past four and a half years. As a result, strength, stability and momentum are features of NAB today.

These attributes allow us to support our customers and the economy through cycles, including during periods of high inflation and the impact of higher cost of living.

We are providing better banking experiences for our customers and remain the Australian market leader in lending to businesses.

In February, Ross McEwan announced his retirement from NAB after a successful four and a half years as Chief Executive Officer and Managing Director. Shareholders should be very pleased with Ross’ leadership. NAB is now recognised as a good bank that consistently does the basics well for customers.

The Board appointed Andrew Irvine as our new CEO to build on the work already underway and to address the opportunities and challenges of the future. It was pleasing to have managed an internal leadership succession, the process highlighting the depth of talent within NAB.

Culture, governance and accountability continue to be core to NAB. The Australian Prudential Regulation Authority removed our $500m Operational Risk capital add-on in March, stating it was satisfied that NAB had adequately addressed the issues raised in its risk governance self-assessment and completed its related remediation program.

NAB continues to make progress on the implementation of our Enforceable Undertaking with Australian Transaction Reports and Analysis Centre and we are investing heavily to help keep Australia’s financial system safe.

#### Financially secure bank

Focused execution of strategy and a more stable operating environment in the second half benefitted NAB’s performance. The Board has determined dividends for the year of 169 cents per share, returning $5.2 billion in total to shareholders.

We are taking a disciplined approach to reducing our share count to support shareholder returns and have continued our on-market share buy-back, while maintaining our strong capital position.

Over the three years to September 2024, our total shareholder return was 51.1%, against an average return of 24.6% for NAB’s major bank peers.

Executive and employee remuneration outcomes are determined by the Board based on the bank’s performance against the targets set by the Board at the start of the year. These targets are aligned with shareholder outcomes and include financial performance, market share growth, customer outcomes and colleague engagement.

This year’s outcomes reflect continued strategic progress in a difficult operating environment and the Board’s focus on maintaining responsible remuneration levels.

#### Board renewal

The Board is focused on creating value for our shareholders and customers. We have invested time in educating the Board on risks and opportunities for the bank including climate transition, technology, and digital innovation.

Doug McKay stood down from the Board of NAB’s New Zealand subsidiary, Bank of New Zealand, in May after serving nine years as Chair and 11 years as a Director. He will retire from the NAB Board at the conclusion of the Annual General Meeting in December, having served almost nine years as a NAB Director. Anne Loveridge will also retire from the NAB Board at the conclusion of the Annual General Meeting having served nine years.

On behalf of all shareholders, I thank both Doug and Anne for their significant and valued contributions. In line with our Board renewal strategy, we were pleased to announce the appointment of Warwick Hunt to the NAB Board, to be considered for election by NAB’s shareholders at our Annual General Meeting.

#### Looking forward

Maintaining a long-term view and adjusting accordingly is critical for building sustainable value for shareholders, customers and communities.

Underlying growth in the Australian and major global economies underpins our optimism for the future although the global geopolitical landscape remains increasingly concerning.

We recognise technology is a critical enabler and continue to modernise and invest in digital, data and analytics, and artificial intelligence to support our bankers and our customers.

Climate transition remains a societal issue of global scale and complexity. NAB is supporting our customers to make investments to reduce emissions, to adapt and build resilience.

During the year we set a further five 2030 decarbonisation targets across two emissions-intensive priority sectors: real estate (with targets set for commercial (office and retail) and residential); and transport (with targets set for road and shipping).

Our progress is in line with the requirements of the Net Zero Banking Alliance and our ambition to achieve net zero across our financed emissions and operations by 2050. Our work to support NAB’s agriculture customers to decarbonise is ongoing, and transition planning for this critical industry will be guided in part by Federal Government settings and the availability of commercially viable and scalable decarbonisation solutions.

NAB’s continued support for indigenous communities is reflected in our 2024 -2027 Reconciliation Action Plan, as well as our target to lend $1 billion to First Nations businesses by the end of 2026.

On behalf of the Board, thank you to NAB’s shareholders for your continued backing and your loyalty. I would also like to recognise our team of more than 38,000 colleagues who serve our customers every day.

NAB is in good shape with good momentum and there is more we want to do to fulfil the ambition we hold for this organisation.

**Philip Chronican, Chair**

## CEO’s message

### By Andrew Irvine, CEO

This year I was honoured to be appointed NAB Group CEO and continue our legacy of supporting customers for more than 160 years.  Since starting in April, much of my time has been spent listening to customers and colleagues.

It has been a privilege to hear their views on what is working and where we can do better.

#### Leadership and strategy evolution

Our strategy during the past four and a half years has served us well. We are building on this progress to ensure we have a customer obsessed culture and become a simpler bank that is faster and safer. Our renewed executive leadership team was appointed from within, comprising diverse bankers, who have a track record of helping customers.

While operating in a challenging environment, we continue to deliver a sound financial performance across each of our divisions. We are making deliberate decisions about where to invest to achieve the best outcomes for customers and the bank. The strength of our relationships is reflected in the consistent growth of our leading business bank. Small businesses are the heartbeat of the Australian economy and when they succeed, we all do.

#### Supporting our customers

As Australia’s biggest business bank, we are making it easier for our small business customers to bank with us, and we are better understanding their needs. We want to be the voice for small and medium businesses, to continue to advocate for them and find solutions that help them grow and be more productive.

We are also working relentlessly to protect our customers and our bank from criminals. In the past year, customers abandoned more than $170 million in potential scam payments and customer losses from scams fell 20% compared to 2023. In the year ahead our teams will continue to work with government and other businesses, including telecommunications, social and digital media companies, to stop more scams.

#### Investing in the future and our communities

Housing availability in Australia remains an enormous societal and policy challenge, and opportunity. While NAB has made good progress on our plan to deliver $6 billion of support to more affordable and specialist housing by 2029, scalability is crucial to success. Greater innovation in both the housing types and methods of construction is key to help tackle this crisis.

Similar to many other industries, banking has seen a significant transformation driven by rapid technological advancement and changing customer behaviour. Today, more than 93% of our customer interactions occur digitally. This shift means we are investing in our banking footprint in new ways to meet customer demand, with more than $41 million spent across 28 locations, including 11 regional towns this year.

Through NAB and the NAB Foundation we support regional and rural Australia including initiatives such as NAB Ready Together. We have continued to invest to support Australians to withstand and recover from natural disasters. We recognise the importance of being there for customers when they need us most. When they’re threatened by natural disasters, we will respond.

We are working closely with customers and the community on the transition to net zero and have an environmental finance ambition to lend $80 billion by 2030. There needs to be an orderly transition to net zero that balances the social, economic and environmental requirements. We look forward to playing our role.

We are supporting First Nations businesses and have made good progress on our target to lend $1 billion by the end of 2026. By working with First Nations people, we are supporting financial resilience, increasing business and employment opportunities, and removing the barriers that traditionally made it more difficult to access financial services.

#### Looking ahead

Thank you to our shareholders for your continued support, to our customers for choosing to bank with NAB, and to the NAB team for helping our customers.

We have made significant progress and have the right foundations in place. Working together we can fulfil our ambition of delivering exceptional experiences for our customers. I am excited about the future and what we can achieve.

**Andrew Irvine, Group Chief Executive Officer**

# Our business

## Our business

We are here to serve customers well and help our communities prosper. More than 38,000[[10]](#footnote-11) colleagues provide about 10 million customers with secure, easy and reliable banking services.

NAB has three major customer-facing business units in Australia - Business and Private Banking, Personal Banking, Corporate and Institutional Banking - supported by six enabling units (Technology and Enterprise Operations, Finance, Risk, Legal and Commercial Services[[11]](#footnote-12), People and Culture and Digital, Data and the Chief Operating Office). ubank is NAB's digitally focused bank and operates as a customer-facing unit under the leadership of the Digital, Data and Chief Operating Office. Bank of New Zealand (BNZ) is our New Zealand banking business that serves Personal, Business, Agri and Private Wealth customers.

### Business & Private Banking

Clear market leadership

Business and Private Banking backs Australian businesses and the individuals who own them. From start-ups and small businesses to established medium and large enterprises, we have supported our customers growth through a relationship-led approach, increasingly enabled by digital, data and analytics.

We are the largest lender to businesses in Australia[[12]](#footnote-13) and support customers across all business and private banking needs, from transaction banking and payments, to combined mortgage and business lending and succession planning solutions.

We provide specialised expertise to service the financial needs of customers across a range of sectors including: agribusiness, health, professional services, franchise, government, education and community service, Indigenous business and commercial real estate, along with integrated and tailored banking solutions for Private Wealth customers.

In the 12 months to September 2024, Business and Private Banking grew customer deposits by $14.5 billion and business lending by $11.7 billion.

### Personal Banking

Simple and digital

Personal Banking helps our customers manage their personal finances and transacting needs through debit and credit cards, savings accounts, and personal and home loans. We support everyday banking and lending needs of customers across the mobile app, internet banking, branches, and telephone banking channels[[13]](#footnote-14).

Personal Banking is providing simpler, more digital banking experiences to drive quicker, better outcomes for customers and colleagues. We prioritise customers by supporting those in financial difficulty (e.g., financial hardship) and helping to combat the increasing incidences of frauds and scams.

In the year ended 30 September 2024, Personal Banking grew customer deposits by $12.7 billion and home lending by $3.5 billion.

### Corporate & Institutional Banking

Disciplined growth

Corporate and Institutional Banking partners with clients globally to meet their most complex financial needs by providing a range of customised products and services, with offices in Australia, North America, Europe and Asia.

We have maintained a disciplined approach to growth, supported by strong customer advocacy, combined with an emphasis on simplification and leveraging our transactional banking capability. Our customers have complex transaction banking needs and NAB serves them well, maintaining a market-leading position in cash and liquidity management, ranked first in the Relationship Strength Index rating for Transaction Banking. NAB is also ranked first for Relationship Strength Index ratings for Debt Capital Markets and Foreign Exchange (Corporates)[[14]](#footnote-15), and is ranked first for ease of doing business14. Our clients are supported by well-rated research.

We assist Corporate and Institutional customers to achieve their sustainability objectives by providing solutions including a wide range of sustainable finance, which has grown to more than $12 billion, and investment options and markets solutions such as carbon trading and ESG derivatives. We have financed renewable energy projects for more than 20 years and in the year ended 30 September 2024, NAB was recognised as Australia’s leading bank for project finance to the global renewable energy sector[[15]](#footnote-16).

### Bank of New Zealand (BNZ)

Personal and SME

BNZ serves approximately 1.4 million customers across New Zealand with personal and business banking services, through a nationwide network of customer centres, digital and assisted channels.

BNZ is New Zealand’s largest business bank, one of the largest providers of agricultural financing and has grown market share in total deposits and key lending segments in personal and business banking.

In 2024, BNZ has seen improvements in strategic NPS scores for key segments - Consumer and Small and Medium-sized Enterprises (SME). BNZ is increasing its physical presence for customers in response to growing demand for more face-to-face interactions, with all branches across New Zealand to be open for at least five days per week by April 2025. Additionally, BNZ increased financial assistance for New Zealanders and businesses to help them deal with economic uncertainty as well as recent severe weather events.

### ubank

Customer acquisition

ubank is Australia’s first, homegrown, digital bank and has been helping everyday Australians get the most out of their banking since it was established in 2008.

In 2021, ubank acquired 86 400 to leverage its smart banking platform, provide customers with better technology and deliver an award-winning range of products across everyday banking and home lending.

ubank has more than 850,000 customers and has acquired more than 100,000 customers in the 12 months to September 2024 (a 15% growth in total customers over that period).

# Strategy

## Strategic Ambition 2020-2024

To serve customers well and help our communities prosper.

Our Group Strategy, in place since April 2020, has served us well over the last four and a half years. Despite significant shifts in our operating environment during this period, we have maintained a clear focus on delivering better outcomes for our customers and colleagues while keeping our bank safe. This has been supported by disciplined execution and persistent investment.

We served our customers well by delivering on the individual strategies of our customer-facing units: clear market leadership in Business and Private Banking; simple and digital experiences in Personal Banking; disciplined growth in Corporate and Institutional Banking; personal and SME growth in BNZ, and customer acquisition in ubank.

For the year ended 30 September 2024, NAB delivered sound financial performance in a challenging operating environment. Diluted cash earnings1 per share was 227.0 cents, and cash return on equity of 11.6%. The Group’s dividend payout for the year will be 169 cents per share.

Execution priorities outlined for 2024 have progressed, with delivery of the Australian Transaction Reports and Analysis Centre Enforceable Undertaking commitments on track, progress made in completing the integration of the Citi consumer business, and ongoing modernisation and simplification of our technology assets.

## Our Strategic Ambition

## Why we are here

To serve our customer 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:** Personal & SME
* **ubank:** 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

**Customers and colleagues**

NAB’s goal has been to be ranked first in NPS among the major Australian banks, with NPS in positive territory. We achieved our goal for some customer segments, however, there is still work to be done to sustainably improve customer advocacy. As at 30 September 2024, NAB was:

* **Consumer**: Ranked third in NPS among the major Australian banks3 [[16]](#footnote-17).
* **Corporate & Institutional**: Ranked equal first in NPS among the major Australian banks8.
* **Business**: Ranked second in NPS among the major Australian banks[[17]](#footnote-18).
* **High Net Worth and Mass Affluent**: Ranked first in NPS among the major Australian banks[[18]](#footnote-19).
* **ubank**: Ranked second in NPS of its competitor set[[19]](#footnote-20) [[20]](#footnote-21).

Our colleague engagement remains in the top quartile of global organisations, scoring 78 in the July 2024 survey[[21]](#footnote-22), reflecting a workforce that is proud to work at NAB and deliver excellence for customers (refer to page 32 of NAB’s 2024 Annual Report for further information).

## Relationship-led

Relationships are our strength.

NAB invests in its exceptional bankers and in tools to help them better serve our customers.

Our Corporate and Institutional bankers were rated best in Australia for relationship manager capability8. We invested in their further development by facilitating training to build capabilities in areas such as climate, as we strive to provide exceptional support to our customers across the world.

We aim to provide unrivalled customer value through insights, data and analytics to help our customers improve how they run their businesses and better understand their spending habits.

For our SME customers, our team of more than 6,000 customer-facing roles continues to deepen relationships with our business customers. NAB Bookkeeper has helped them streamline financial management through automation and provided insights to support better decision making.

For Personal Banking customers of NAB and ubank, features such as pay and bills cycle trackers were introduced in 2024. These provide customers with greater insight into their spending and savings habits, allowing them to plan their spending and work towards their savings goals.

We believe truly personalised experiences underpin strong relationships with our customers, and our data and analytics capabilities are fundamental to our ability to support customers in this way.

In 2024, improvements to NAB’s machine-learning data manager, the Customer Brain, enabled Personal and Business bankers to enhance their personalised interactions with customers, while Corporate and Institutional Banking launched a new customer relationship management system to support its bankers with their customer interactions.

## Easy

Simple to deal with.

NAB aims to provide simple products and seamless experiences for our customers.

Payments have been a key priority for NAB. In 2024, we rolled out several innovative solutions to improve card and payments experiences for both business, and Personal Banking customers.

Portal Pay has been introduced for real estate agents and their clients to better manage deposit-taking for property sales and simplify rental payments for tenants and make it easier for agents to reconcile.

NAB Liquidity+ has been launched to assist corporate customers to bring together their critical banking data, to provide them with comprehensive, real-time visibility of their cash positions as well as deliver dynamic cash insights and precision forecasting.

In an Australia first, NAB launched a new, virtual corporate credit card to help businesses streamline, modernise and simplify their expenses.

For Personal Banking customers, shopping on the go became easier this year. A digital debit or credit card can be used within hours of account approval, with the ability to view the full credentials in the NAB Mobile app.

We remain determined to be fast and decisive and to provide better experiences and services to our customers, through investment in the simplification of products and origination pathways.

BNZ’s digital onboarding was expanded to include companies, trusts and sole traders, which streamlined the process and reduced average onboarding times[[22]](#footnote-23).

In 2024, the Group continued to invest in building Australia's leading home lending experience, which resulted in a material reduction in manual time spent on applications, as well as an increase in simple home loans unconditionally approved within a day[[23]](#footnote-24).

## Safe

Responsible & secure business.

The Group has a strong balance sheet and remains well capitalised.  The Common Equity Tier 1 (CET1) capital ratio is 12.35% on an APRA basis, with a capital surplus to the Group’s CET1 target range of 11.00-11.50%. On 2 May 2024, the Group announced it had increased its on-market buy-back of ordinary shares by $1.5 billion, resulting in a total combined size of up to $3 billion. NAB has bought back and cancelled $2.1 billion of ordinary shares in the September 2024 financial year including $1.1 billion (0.25% of CET1 capital) in the half year ended September 2024. The remaining $0.6 billion is expected to be completed by 1 May 2025.

The Group maintains a strong funding and liquidity position, with a September 2024 quarterly average Liquidity Coverage Ratio of 137% and 30 September 2024 Net Stable Funding Ratio of 117%. This is supported by $37.5 billion[[24]](#footnote-25) of term wholesale funding issuance during 2024 as the Additional and Supplementary Allowance of the Term Funding Facility matured.

NAB is proactively managing risk and investing in secure, simplified and resilient technology to safeguard the bank.

We had the highest ‘up-time’ of the Australian major banks in the 12 months to June 2024, reducing customer impacts from outages[[25]](#footnote-26) . We seek to protect customers by actively combatting the increasing number of fraud and scam attempts. Our payment alerts - which target invoice, investment, romance, and goods and services scams - helped reduce the value of customer losses from scam events by 20%[[26]](#footnote-27).

## Long-term

A sustainable approach.

NAB’s long term and sustainable approach supports the interests of customers, colleagues and communities by acting to tackle societal challenges, while maintaining sustainable business practices (refer to page 19 of NAB’s 2024 Annual Report for NAB's Sustainability Approach).

NAB is supporting customers in three priority areas; climate, (refer to page 38 of NAB’s 2024 Annual Report and NAB's 2024 Climate Report), affordable and specialist housing (refer to page 29 of NAB’s 2024 Annual Report) and Indigenous economic advancement (refer to page 27 of NAB’s 2024 Annual Report).

Resilient and sustainable business practices remain core to NAB. Key focus areas within our sustainable business practices include colleagues and culture, inclusive banking, ESG risk management, supply chain management, and human rights. Information on how these areas are managed is outlined in ESG materiality assessment on page 23 of NAB’s 2024 Annual Report. Our 2024 Sustainability Data Pack[[27]](#footnote-28) contains further detail on performance in these areas.

We consistently invest in our innovation capabilities to ensure we develop long-term solutions for our customers, colleagues and communities.

In 2024, NAB commenced enabling Generative artificial intelligence solutions to improve colleague productivity and support bankers.

We have enhanced payments options for customers of fintech lender Plenti (a NAB strategic partner for secured auto / electric vehicle and renewables lending), integrating a new account-to-account payment solution, Pay by Bank - powered by Banked (a NAB Ventures investment),  in Plenti's online lending platform. NAB's innovation work also led to the launch of ConnectID in collaboration with Australia Payments Plus to provide all Australian Personal Banking customers with a safe, secure and trusted identity verification service.

As a part of our strategy and ongoing work to understand how to best support customer needs in the climate transition, NAB has invested in the development of a digital decarbonisation platform focused on assisting SME and corporate customers to accelerate their decarbonisation journey.

# Evolving our Group Strategy

## NAB's evolved Group strategic ambition

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

The Group’s strategic ambition served us well over the last four and a half years. While continuity of this strategy remains important, we have identified opportunities where we can lift our ambition in delivering exceptional experiences for customers, simplify our business, and increase our speed of delivery. NAB’s disciplined approach to accountability and execution will remain unchanged.

Going forward, our evolved strategic ambition retains key elements of the existing strategy and places customer centricity at the core. Our strategic ambition is to be the most customer-centric company in Australia and New Zealand, where customers trust us and choose us to be their bank, and where colleagues are customer-obsessed and proud to work at NAB.

This evolved ambition elevates existing components of the strategy, with a deep focus on:

* **Relationship led** with exceptional bankers providing unrivalled customer service and personalised and proactive experiences.
* **Exceptional experiences** where NAB is brilliant at the basics; trusted in moments that matter; and is simple, fast, and easy to deal with.
* **Safe and sustainable** with a strong balance sheet and proactive risk management; secure, simple and resilient technology; and a long term and sustainable approach.

## Our Strategic Ambition

## Why we are here

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

## Who we are here for

* **Customers:** Customers who trust us and choose us to be their bank
* **Colleagues:** Customer-obsessed colleagues who are proud to work at NAB

## Who we are

* We are customer obsessed
* We keep it simple
* We move with speed
* We own it
* We win together

## What we will be known for

### Relationship-led

1. Exceptional bankers
2. Unrivalled customer service
3. Personalised and proactive

### Exceptional experiences

1. Brilliant at the basics
2. Trusted in moments that matter
3. Simple, fast and easy to deal with

### Safe and sustainable

1. Strong balance sheet and proactive risk management
2. Secure, simplified and resilient technology
3. Long term and sustainable approach

## Where we will grow

* **Business & Private:** Clear market leader
* **Corporate & Institutional:** Disciplined growth
* **Personal:** Deepen customer relationships
* **BNZ:** Personal & SME
* **ubank:** Customer acquisition

## What we will deliver

* Leading customer advocacy
* Winning in market
* Customer-obsessed colleagues
* Simple, fast, resilient
* Strong returns

# Strategic highlights[[28]](#footnote-29)

The Group's strategy, in place since April 2020, has served it well. Despite significant shifts in the operating environment over this period, the Group has maintained a clear focus on delivering better experiences for customers and colleagues, with a firm belief that this will drive sustainable earnings growth and improved returns. This has been supported by disciplined execution, persistent investment, increasingly resilient technology and strong balance sheet settings.

Execution of the Group's strategy over the past four and a half years has delivered good growth and attractive returns.

In Business and Private Banking, where the Group has the leading SME business lending market share, a relationship-led approach increasingly enabled by digital, data and analytics has helped drive growth across the division. Since 2020 Business and Private Banking business lending balances have grown 42% including 8% growth over 2024, benefiting from additional customer facing roles and more seamless and digital loan origination. Heightened focus and increasing simplification and digitisation of the account opening process, along with product innovation in new target segments is supporting good growth in SME deposits. New business transaction account openings in 2024 are 53% higher than in 2020, including a 2% increase over the September 2024 financial year. Delivering better payment experiences has also been a key priority and since 2020 the Group has rolled out nextgen terminals for healthcare providers and SMEs, made healthcare claims and invoicing far more seamless and digital, launched innovative payment solutions such as NAB Easy Tap and NAB Portal Pay, and refreshed NAB Gateway to provide SMEs with a simpler, more secure way to accept customer payments online.

In Personal Banking, the Group's focus over the past four and a half years has been on providing simpler, more digital banking experiences. The proportion of simple everyday banking products opened digitally increased to 72% in 2024 from 62% in 2020 and are broadly stable compared with 2023. Australian home lending remains a core market, and the Group has been investing to deliver more efficient and better customer experiences including further progressing the rollout of a digital home lending platform. This has supported a 67% reduction in median time-to-unconditional-approval[[29]](#footnote-30) since 2020 and the majority of simple home loans can now be conditionally approved within a day[[30]](#footnote-31) . However, given heightened competitive sector pressures in 2023 and much of 2024, the Group adopted a disciplined approach to originating new home loans, which saw its share of system growth[[31]](#footnote-32) reduce from 1.1x in 2022 to 0.7x in 2023 and 0.6x in 2024. Balancing returns and growth in this dynamic market will remain important.

The Group has been leveraging capability from acquisitions to diversify its consumer portfolio and drive growth in unsecured lending and ubank through better, more targeted customer propositions. Since finalising the acquisition of the Citi consumer business in July 2022, the Group's credit card market share has increased including over the year to September 2024 and it has focused on building a new unsecured lending platform. ubank's digital banking offer has delivered continued strong customer acquisition since 2020 weighted towards its target segment of 18 to 35 year-olds, including 15% growth in customers in 2024.

Corporate and Institutional Banking has maintained its returns-focused strategy. A disciplined approach to growth and strong customer advocacy, combined with a focus on simplification and leveraging transactional banking capability has supported an increase in C&IB's return on equity over the four years to 2024 including improved returns in 2024 compared with 2023.

New Zealand Banking has made good progress against its strategic priorities of becoming a simpler, more digital bank and tilting to less capital intensive personal and SME customer segments. This includes increased market share in underweight segments of household deposits and home lending, and a 48% reduction in the number of banking products since 2020. This has supported returns over a period of challenging economic conditions and rising regulatory capital requirements. Cash earnings1 as a percentage of RWA have increased since 2020 (including a slight decrease over 2024 compared with 2023) while New Zealand Banking’s common equity tier one ratio increased from 11.9% in 2020 to 13.9% in 2024.

Having a strong customer franchise and engaged colleagues are key to the Group's ability to grow sustainably and has been supported by a consistent focus on improving customer and colleague experiences. The Group's colleague engagement has improved since 2020 with the most recent score of 78 at July 2024 up 2 points since July 2020 and in line with July 2023. Consistent with the Group's ambition, the latest score is one point higher than the top quartile benchmark[[32]](#footnote-33).

Customer outcomes have been more mixed. While strategic NPS[[33]](#footnote-34) scores have lifted across all segments since 2020, the Group has not achieved its ambition of positive strategic NPS scores ranked first of Australian banks across all key segments. Over the 12 months to September 2024, Business NPS slipped from 11 to 8 with NAB continuing to rank second among major banks while Mass Consumer NPS improved from -3 to -2 with NAB's ranking slipping from equal first to third. High Net Worth and Mass Affluent NPS improved from -7 to +2 and NAB's ranking improved from second to first of major banks while Large Corporate and Institutional NPS8 rose 8 points with the Group's ranking improving from second to equal first. Customer advocacy is a priority focus for 2025.

A key focus of the Group's investment over recent years has been on simplifying, automating and digitising its business and increasing the use of data and analytics. These initiatives have allowed bankers to spend more time with customers and provide quicker responses, while letting customers increasingly self serve when they want to. They are also making the Group more efficient, helping it to manage costs while continuing to invest. In 2024 the Group achieved productivity benefits of $453 million allowing it to limit growth in operating expenses in 2024 to 4.5%[[34]](#footnote-35).

Safety has been a key pillar of the Group's strategy since 2020 and keeping customers safe remains an important focus. Over 2024 the Group continued its efforts to protect customers against ongoing and evolving threats from financial crime and since September 2021 the Group has prevented or recovered more than $280 million in scam losses for customers. Safety also requires that the Group maintain prudent balance sheet settings and manage risk with discipline. At September 2024 collective provisions as a ratio of credit risk weighted assets were 1.47% and the share of lending funded by deposits was above 80% - both materially stronger than pre COVID-19 levels. Liquidity and funding ratios remain well above regulatory minimums. The Group's CET1 ratio of 12.35% at September 2024 rose 13 basis points over the year and is well up from 11.47% at September 2020 despite $7.4 billion of share buy-backs since August 2021 including $2.1 billion in 2024. Adjusting for the remaining $0.6 billion share buy-back outstanding at September 2024, proforma Group CET1 is approximately 12.21%[[35]](#footnote-36) and above the top end of the Group's target range of 11-11.5%.

Despite retaining strong balance sheet settings, the Group has delivered improved returns for shareholders consistent with its strategic ambition. While Cash EPS[[36]](#footnote-37) for 2024 was 7% lower compared with a very strong 2023 outcome, cash ROE1 has increased from 8.3% in 2020 to 11.6% in 2024 and compares with 12.9% in 2023. The final 2024 dividend has been set at 85 cents per share, bringing total dividends for the year ended 30 September 2024 to 169 cents per share which is 1.2% higher than 2023. This represents a 2024 cash earnings payout ratio of 73.7%, consistent with the Group's target dividend payout ratio of 65% – 75% of cash earnings[[37]](#footnote-38), subject to Board determination based on circumstances at the relevant time.

Execution of the Group's strategy has seen significant progress over the past four and a half years. The Group now has a compelling suite of product offerings increasingly supported by modern technology which are far quicker, easier and safer to originate and manage, and provide a better experience for customers and colleagues. To build on this progress and take account of changes in the external environment, the Group has evolved its strategy. While no major pivots are required, the evolved strategy aims to achieve stronger customer advocacy, increased simplification and faster outcomes. This is expected to support ongoing sustainable growth and returns including improved performance in deposits and lending via proprietary channels.

Technology will continue to play an important role in enabling the Group's evolved strategic ambitions, including the ongoing modernisation and replacement of the Group's complex and ageing hardware and software to support a resilient, secure and flexible technology operating environment. However, the key drivers of success are expected to be broader than just technology. In particular, the voice of the customer needs to be more amplified across the Group so that when decisions are being made at any level, customer implications are well understood with incentives aligned to customer advocacy. Opportunities also exist to better and more systematically leverage customer feedback and increase the pace at which the Group responds. This requires a more granular and consistent Group-wide customer advocacy measurement system, linked to the Group's investment decision-making framework, views of value creation and incentive structures.

At the same time, simplification requires heightened prioritisation. While good progress has been made over recent years to remove complexity particularly at a product level, there are still too many systems, processes, products, policies and ways of doing things which make it difficult for colleagues and get in the way of customers experiencing quick, easy and seamless interactions. This complexity also creates risk and is a major barrier to productivity. Finishing the work nearing completion on a number of the key investment priorities underway since 2020 will be an important part of reducing complexity and will allow the Group to fully leverage the benefits of these programs including retiring legacy systems and platforms and removing duplication.

The Group plans to support its colleagues to deliver its evolved strategic priorities through its approach to developing culture, talent and leadership capabilities. There have also been a number of new roles and functions created to improve colleague focus, clarity and accountability for the Group's refreshed areas of focus.

The Group recognises the importance of investing in its franchise to deliver sustainable growth and returns over time through initiatives which improve customer experience, comply with legal and regulatory requirements and improve capabilities and efficiency. To support the Group’s evolved strategic priorities, investment spend (on a restated basis[[38]](#footnote-39) ) is expected to increase modestly from $1,638 million in 2024 to approximately $1.8 billion in 2025. This will include spend on a range of new and existing initiatives to improve customer advocacy and the continued replacement of ageing and complex technology.

The Group moves forward with optimism and confidence in its strong foundations and evolved strategy. Customer centricity, simplification and speed will become the hallmarks of NAB going forward. This is expected to drive leading customer advocacy, and market share gains, underpinning sustainable growth and attractive returns for shareholders.

# Operating environment

## Global business environment

The near-term outlook for global economic growth is relatively subdued. Growth slowed in calendar year 2023 and is expected to be slightly softer again in calendar years 2024 and 2025, before a modest upturn in 2026. Should this eventuate, it would be the first four-year period in over three decades where growth, in each year, is below its post 1980 average.

This expectation of relatively weak growth in part reflects the impact of restrictive monetary policy in most major advanced economies along with weak domestic demand in China. While several major central banks have commenced their policy rate easing cycle, the level of interest rates remains restrictive and there is a lag between changes in monetary policy and its full impact on the economy. Moreover, International Monetary Fund projections suggest that government fiscal consolidation is likely to be a brake on advanced economy growth in coming years.

A range of factors present uncertainty around the outlook. Policy rate cuts will depend on central bank confidence around inflation and the resilience of labour markets. Progress in reducing inflation in major advanced economies has slowed in 2024 and has been uneven.

Similarly, trade policies, particularly with respect to China, present some downside risk. A growing number of countries have announced tariffs in response to the surge in Chinese exports since the middle of calendar year 2023.

Geopolitical risks remain, with conflicts in Europe and the Middle East, and tensions between China-Taiwan and over the South-China Sea, continuing with the potential of further escalation which could disrupt trade and economic activity.

## Australian economy

The Australian economy has continued to expand, but only slowly, inflation has moderated and the labour market remains healthy, even though it has cooled.

Gross Domestic Product (GDP) grew by 1.0% between the June 2023 quarter and the June 2024 quarter. This is the slowest annual growth rate since the early 1990s, excluding the initial period of COVID-19 related lockdowns. By expenditure component, between the June 2023 quarter and the June 2024 quarter:

* Household sector demand growth was soft, with consumption growing 0.5%, while private residential investment fell 3.0%.
* Business fixed capital investment grew by 1.6%, with the level of non-mining investment high over this period.
* Travel credits (exports) grew by 12.4%, due to the recovery in tourism and international students, to be close to its pre-COVID-19 level.
* Government consumption and investment remained a key support, growing by 3.7%.

Growth was mixed by industry. While most industries saw an increase in gross value added between June 2023 quarter and the June 2024 quarter, it fell in agriculture, mining, wholesale trade, hospitality and administrative & supportive services. In contrast, state final demand rose in all states and territories, although for NSW growth was very modest (0.2%).

Inflation has declined further. In the September 2024 quarter, the annual growth rate in the Consumer Price Index (CPI) was 2.8%, down from 5.4% in the September 2023 quarter. Trimmed mean inflation, an underlying inflation measure, was higher at 3.5%.

Pressure on household budgets is easing. Real household disposable income declined by 5.4% between the March 2022 quarter and the September 2023 quarter, then increased by 1.8% to June 2024 quarter. Income tax cuts from 1 July 2024 will provide further support, as will government energy subsidies. Business operating profits fell 4.3% between the June 2023 quarter and the June 2024 quarter, but excluding mining sector profits (down 12.3%), they were little changed over this period.

Agriculture conditions have been mixed. Between September 2023 and September 2024 overall prices for agricultural commodities (weighted by production) increased, partly reversing the previous year's large fall. While there was a large fall in the winter crop production in 2023-2024, back to around its 10-year average, a larger crop is expected in 2024-2025.

The unemployment rate has risen but other indicators point to a still healthy labour market:

* The unemployment rate was 4.1% in September 2024, up from 3.6% in September 2023, but is still low by historical standards.
* Employment growth has remained strong, and job vacancies, while down from their peak, remain high.

Dwelling prices have increased, with the eight capital cities CoreLogic Hedonic Home Value Index rising 6.6% between September 2023 and September 2024. This included rapid growth in Perth, Brisbane, and Adelaide, modest growth in Sydney while prices fell slightly in Melbourne and Hobart.

The RBA has kept the cash rate unchanged at 4.35% since its November 2023 meeting. If the economy evolves as expected, including a further cooling in inflation, then the RBA may be in a position to cut rates in the first half of calendar year 2025.

Economic growth is expected to start improving towards the end of calendar year 2024, and is expected to be around its trend level over calendar years 2025 and 2026. The growth outlook in part reflects the fading headwinds to household finances and the expected reduction in interest rates.

Annual system credit growth has strengthened. Between September 2023 and September 2024 it grew by 5.8%, compared to 4.9% over the previous year. All the main categories saw higher growth:

* Housing credit grew by 5.1% (4.2% the previous year), business credit by 7.5% (6.6% the previous year) and other personal credit by 2.4% (2.0% the previous year).

## New Zealand economy

Conditions in the New Zealand economy have deteriorated over recent quarters. GDP has contracted, unemployment has increased and house prices have been under pressure.

GDP fell by 0.5% between the June 2023 quarter and the June 2024 quarter, including declines in business and dwelling investment as well as weak household consumption growth, which was below the rate of population growth. A majority of industries experienced a decline, including mining, manufacturing, construction, wholesale trade, retail trade & accommodation, transport & warehousing, and professional, scientific, technical, administrative & support services.

The labour market has weakened, and finding labour has become easier.

* Employment fell 0.4% between the September 2023 quarter and the September 2024 quarter. The unemployment rate was 4.8% in the September 2024 quarter, up from 3.9% a year earlier.
* Businesses report that the ease of finding labour, in the September 2024 quarter, was at its highest level in 15 years.

Inflation has continued to fall and now sits within the Reserve Bank of New Zealand's (RBNZ) inflation target range of 1% to 3%. In the September quarter 2024 annual CPI inflation was 2.2%, down from 5.6% in the September 2023 quarter.

Commodity export prices, in New Zealand dollar terms, rose 10.0% between September 2023 and September 2024, including a 15.6% rise in dairy export prices. Prices are elevated by historical standards, only a little below their peak in 2022.

Housing market indicators have been mixed. While sales volumes increased in 2024, they were still relatively low. The REINZ House Price Index in September 2024 was 0.4% below its September 2023 level, but prices have stabilised in recent months.

System credit growth remained modest, rising by 2.8% between September 2023 and September 2024, only slightly higher than over the previous year. This included, over the same period, growth of 3.3% in housing credit, 2.0% for non-agricultural business credit and 1.6% for agriculture credit.

The RBNZ kept the Official Cash Rate (OCR) at 5.50% from May 2023 until August 2024 when it was lowered to 5.25%, with a further reduction in October to 4.75%. The RBNZ is expected to further reduce the OCR through to end calendar year 2025.

The easing in monetary policy will, over time, assist the economy. While GDP likely declined further in the September quarter 2024, growth is then expected to resume and then strengthen in 2025. As the labour market typically lags economic activity, the unemployment rate is likely to rise further in 2025.

## Outlook

The outlook for the Group’s financial performance and outcomes is closely linked to the levels of economic activity in each of the Group’s key markets that are outlined above.

# Additional information

## Shareholder information

### Chair

Mr Philip Chronican

BCom (Hons), MBA (Dist), GAICD, SF Fin

### Group Chief Executive Officer and Managing Director

Mr Andrew Irvine

BSc Business Management (Hons), MBA

### Group Chief Financial Officer

Mr Nathan Goonan

BCom, BAgrSc (Hons)

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### Company Secretary

Mrs Louise Thomson, BBus (Dist), FGIA

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### Shareholder Centre website

The Group’s website at www.nab.com.au/shareholder has a dedicated separate section where shareholders can gain access to a wide range of information, including copies of recent announcements, annual financial reports as well as extensive historical information.

### Shareholder information line

There is a convenient 24 hours a day, 7 days a week automated service. To obtain the current balance of your securities and relevant payment details, telephone 1300 367 647 (Australia) or   
+61 3 9415 4299 (outside Australia).

These services are secured to protect your interests. In all communications with the Share Registry, please ensure you quote your Securityholder Reference Number, or in case of broker sponsored shareholders, your Holder Identification Number.

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### United States American Depositary Receipt (ADR) Depository Transfer Agent and Registrar contact details for NAB ADR holders

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## 

## Glossary

|  |  |
| --- | --- |
| Term | Definition |
| APRA | Australian Prudential Regulation Authority. |
| Cash earnings | Cash earnings is a non-IFRS key performance measure used by the Group and the investment community. Cash earnings is defined as net profit attributable to owners of the Company from continuing operations adjusted for non-cash items, including items such as hedging and fair value volatility, the amortisation of acquired intangible assets and gains or losses and certain other items associated with the acquisition, integration, disposal and closure of Group businesses. |
| Cash return on equity (ROE) | Cash earnings after tax expressed as a percentage of total average equity (attributable to owners of the Company). |
| Citi consumer business | Citi consumer business refers to Citigroup's Australian consumer business, acquired by the Group in June 2022. |
| Common Equity Tier 1 (CET1) capital | CET1 capital ranks behind the claims of depositors and other creditors in the event of winding-up of the issuer, absorbs losses as and when they occur, has full flexibility of dividend payments and has no maturity date. CET1 capital consists of the sum of paid-up ordinary share capital, retained profits plus certain other items as defined in APS 111 *Capital Adequacy: Measurement of Capital.* |
| Common Equity Tier 1 ratio | CET1 capital divided by risk-weighted assets. |
| Continuing operations | Continuing operations are the components of the Group which are not discontinued operations. |
| Discontinued operations | Discontinued operations are a component of the Group that either has been disposed of, or is classified as held for sale, and represents a separate major line of business or geographical area of operations, which is part of a single coordinated plan for disposal. |
| Earnings per share (EPS) – basic | Calculated as net profit attributable to ordinary equity holders of the parent (statutory basis) or cash earnings (cash earnings basis) divided by the weighted average number of ordinary shares. |
| Earnings per share (EPS) – diluted | Calculated as net profit attributable to ordinary equity holders of the parent (statutory basis) or cash earnings (cash earnings basis), divided by the weighted average number of ordinary shares, after adjusting both earnings and the weighted average number of ordinary shares for the impact of dilutive potential ordinary shares. |
| Full-time equivalent employees (FTEs) | Includes all full-time, part-time, temporary, fixed term and casual employee equivalents, as well as agency temporary employees and external contractors either self-employed or employed by a third party agency. Note: this excludes consultants, IT professional services, outsourced service providers and non-executive directors. |
| Gross Domestic Product (GDP) | GDP is the market value of the finished goods and services produced within a country in a given period of time. |
| Group | NAB and its controlled entities. |
| NAB | ‘NAB' or the 'Company' means National Australia Bank Limited ABN 12 004 044 937 |
| Net Promoter Score (NPS) | 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. Net Promoter Score measures the likelihood of a customer's recommendation to others. |
| SME | Small and medium-sized enterprises. |
| Weighted average number of ordinary shares | The number of ordinary shares outstanding at the beginning of the period, adjusted by the number of ordinary shares bought back or issued during the period multiplied by a time-weighting factor. The time-weighting factor is the number of days that the shares are outstanding as a proportion of the total number of days in the period. |

1. Full detail on how cash earnings is defined, a discussion of non-cash earnings items and a full reconciliation of statutory net profit attributable to owners of the Company is set out in *Note 2 Segment information* of the Financial Report on page 178 of NAB’s 2024 Annual Report. Statutory return on equity and statutory earnings per share (EPS) are also presented on page 110 of NAB’s 2024 Annual Report. [↑](#footnote-ref-2)
2. Net Promoter® and NPS® are registered trademarks of Bain & Company, Inc., NICE Systems, Inc., and Fred Reichheld. Net Promoter ScoreSM is a service mark of Bain & Company, Inc., NICE Systems, Inc., and Fred Reichheld. [↑](#footnote-ref-3)
3. Sourced from RFI Global – Atlas, measured on 6 month rolling average to September 2024. Based on all consumers, 18+ and excludes consumers with personal income of $260k+ and/or investible assets $2.5m+ and/or footings of over $850k. [↑](#footnote-ref-4)
4. Lending position refers to ‘Gross Loans and Advances’ to both direct Indigenous Businesses (with >50% Indigenous Ownership) and community organisations whose purpose contributes to Indigenous communities. Lending calculated as at 31 August 2024, baseline position ($417.2m) calculated as at 31 August 2023 and has been restated in 2024 [↑](#footnote-ref-5)
5. Sourced from RFI Global – Atlas, measured on 6 month rolling average to September 2024. Based on all consumers, 18+, includes Mass Affluent customers ($850k to $2.5M footings or $260k+ personal income with less than $850k in footings and less than $2.5m in investible assets) and High Net Worth customers ($2.5m+ in footings or have investible assets of $2.5m+). [↑](#footnote-ref-6)
6. Sourced from RFI Global – Atlas, measured on 6 month rolling average to September 2024. Business Strategic NPS is constructed based on 25:25:50 weighting of underlying segments, allocated to Nano & Micro: Small: Medium & Large, respectively. Nano & Micro (Businesses with a turnover up to $1m or $1m-$5m with no perceived banker), Small (Businesses with a turnover $1m-$5m with a perceived banker), Medium & Large (Businesses with a turnover between $5m and <$200m) [↑](#footnote-ref-7)
7. Refer to the *Environmental finance ambition* in NAB’s 2024 Climate Report on page 63 for further details. [↑](#footnote-ref-8)
8. Coalition Greenwich (formerly Peter Lee Associates) – Large Corporate and Institutional Relationship Banking Survey Australia 2024. Ranking against the four major domestic banks. Coalition Greenwich is a division of Crisil. [↑](#footnote-ref-9)
9. Employee Engagement Survey conducted using Glint, score based on July 2024 survey. Includes Australia, New Zealand and all global colleagues, population excludes ubank, external consultants and outsource service providers. [↑](#footnote-ref-10)
10. Number of full-time equivalent colleagues as at 30 September 2024, excluding discontinued operations. [↑](#footnote-ref-11)
11. Effective 1 October 2024, Legal and Commercial Services was renamed to Customer and Corporate Services. [↑](#footnote-ref-12)
12. Market share of APRA Business Lending (excluding Financial Institutions, Government, and Community) at September 2024. [↑](#footnote-ref-13)
13. Personal Banking includes the customers migrated from Citi consumer business (acquired in 2022). [↑](#footnote-ref-14)
14. Coalition Greenwich (formerly Peter Lee Associates) 2024 surveys. Transaction Banking (ranking against all banks), Debt Capital Markets (ranking against the four major domestic banks), Foreign Exchange, Corporate Respondents (ranking against all banks), Large Corporate and Institutional Relationship Banking (ranking against all banks). Coalition Greenwich is a division of Crisil. Relationship Strength Index (RSI) is based on the results of key qualitative measures. [↑](#footnote-ref-15)
15. Rankings based on IJGlobal League Table MLA, Renewables, both cumulative data from 1 January 2010 to 30 September 2024 and for the 12 months ending 30 September 2024. [↑](#footnote-ref-16)
16. Net Promoter® and NPS® are registered trademarks of Bain & Company, Inc., NICE Systems, Inc., and Fred Reichheld. Net Promoter ScoreSM is a service mark of Bain & Company, Inc., NICE Systems, Inc., and Fred Reichheld. [↑](#footnote-ref-17)
17. Sourced from RFI Global – Atlas, measured on 6 month rolling average to September 2024. Business Strategic NPS is constructed based on 25:25:50 weighting of underlying segments, allocated to Nano & Micro: Small: Medium & Large, respectively. Nano & Micro (Businesses with a turnover up to $1m or $1m-$5m with no perceived banker), Small (Businesses with a turnover $1m-$5m with a perceived banker), Medium & Large (Businesses with a turnover between $5m and <$200m). Ranking based on absolute scores, not statistically significant differences. [↑](#footnote-ref-18)
18. Sourced from RFI Global – Atlas, measured on 6 month rolling average to September 2024. Based on all consumers, 18+, includes Mass Affluent customers ($850k to $2.5M footings or $260k+ personal income with less than $850k in footings and less than $2.5m in investible assets) and High Net Worth customers ($2.5m+ in footings or have investible assets of $2.5m+). [↑](#footnote-ref-19)
19. Sourced from RFI Global – Atlas, measured on 6 month rolling average to September 2024. Includes consumers 18+ [↑](#footnote-ref-20)
20. Rank based on position within competitor set (ubank, Up, Bendigo Bank, ING, ME Bank, Macquarie Bank) [↑](#footnote-ref-21)
21. Employee Engagement Survey conducted using Glint, score based on July 2024 survey. Includes Australia, New Zealand and all global colleagues, population excludes ubank, external consultants and outsource service providers. [↑](#footnote-ref-22)
22. Average time to onboard including customer wait time. [↑](#footnote-ref-23)
23. Measured as the time taken from application first auto-decision to unconditional approval. [↑](#footnote-ref-24)
24. Excludes AT1 capital. [↑](#footnote-ref-25)
25. Average of Q3 2023 to Q2 2024 RBA Retail Payments Service Reliability statistics. [↑](#footnote-ref-26)
26. Value of customer scam loss events (pre-recovery) in the 12 months to September 2024 vs 12 months to September 2023. [↑](#footnote-ref-27)
27. Available at <www.nab.com.au/annualreports>. [↑](#footnote-ref-28)
28. Amounts presented in this section are based on cash earnings. [↑](#footnote-ref-29)
29. Includes Broker, Retail and Business and Private Banking home lending applications excluding trust, company and complex lending. [↑](#footnote-ref-30)
30. Broker and proprietary home loan applications auto decisioned same day via digital home lending platform using an automated credit rules engine without need for manual intervention. [↑](#footnote-ref-31)
31. APRA Monthly Authorised Deposit-taking Institution statistics. Latest data as at September 2024. [↑](#footnote-ref-32)
32. Engagement scores refer to Glint ‘Heartbeat’ outcomes. Top quartile comparison is based upon Glint’s client group (domestic and global, from all industries). [↑](#footnote-ref-33)
33. Net Promoter® and NPS® are registered trademarks of Bain & Company, Inc., NICE Systems, Inc., and Fred Reichheld. Net Promoter ScoreSM is a service mark of Bain & Company, Inc., NICE Systems, Inc., and Fred Reichheld. Sourced from RFI Global – Atlas, measured on 6 month rolling average to September 2024. Mass Consumer: based on all consumers, 18+ and excludes HNW&MA customers. HNW&MA: based on all consumers, 18+ with personal income of $260k+ and/or investible assets $2.5m+ and/or footings of over $850k. Business Strategic NPS is constructed based on 25:25:50 weighting of underlying segments, allocated to Nano & Micro: Small: Medium & Large, respectively. Nano & Micro (Businesses with a turnover up to $1m or $1m-$5m with no perceived banker), Small (Businesses with a turnover $1m-$5m with a perceived banker), Medium & Large (Businesses with a turnover between $5m and <$200m). Ranking based on absolute scores, not statistically significant differences. [↑](#footnote-ref-34)
34. Statutory cost growth of 6.9%. [↑](#footnote-ref-35)
35. On 2 May 2024, the Group announced it had increased its on-market buy-back of ordinary shares by $1.5 billion, resulting in a total combined size of up to $3 billion. NAB has bought back and cancelled $2.1 billion of ordinary shares in the September 2024 financial year including $1.1 billion (0.25% of CET1 capital) in the half year ended September 2024. [↑](#footnote-ref-36)
36. Full detail on how cash earnings is defined, a discussion of non-cash earnings items and a full reconciliation of statutory net profit attributable to owners of the Company is set out in Note 2 Segment information of the Financial Report on page 178. Statutory return on equity and statutory earnings per share (EPS) are presented on page 110. NZB's FY20 cash earnings on RWA have not been restated for the change in reporting of Bank of New Zealand’s Markets Trading operations and enabling units which, prior to 1 October 2023, were reported in Corporate and Institutional Banking and Corporate Functions and Other. [↑](#footnote-ref-37)
37. Statutory dividend payout ratio is 75.2%. [↑](#footnote-ref-38)
38. Restated to reflect previously defined investment spend ($1,451 million in 2024) plus Other capitalised software ($187 million in 2024). [↑](#footnote-ref-39)