

Still on track with the revised 5-year plan

Company/ASX Code	National Australia Bank/NAB
AGM time and date	9.30am AEDT Wednesday, 18 December 2024
Location	Melbourne Convention Centre, 1 Convention Centre Place, South Wharf Melbourne (Plenary Room 2)
Registry	Computershare
Type of meeting	Hybrid
Monitor	Christine Haydon, Dennis Shore
Pre-AGM Meeting	Yes with Chair Phillip Chronican, Director Kathryn Fagg AO, EGM Investor Relations Sally Mihell, Richard Doody Head of Remuneration

Monitor Shareholding: The individuals involved in the preparation of this voting intention have a shareholding in this company.

1. How we intend to vote

No.	Resolution description	
1	Election of director Mr Warwick Hunt MNZM	For
2	Remuneration Report	For
3	Deferred Rights and Performance Rights Group CEO	For
4	Consideration of Financial Report, Directors' Report and Auditor's Report	Discussion
5	Resolutions requisitioned by a group of shareholders: (a) Amendment to the Constitution (b) Transition Plan Assessments (conditional on carriage of 5a)	Against

2. Summary of Issues and Voting Intentions for AGM/EGM

- Now into the 5th year of customer focus strategy, NAB has evolved into a further strategic ambition of being the most customer-centric banking company in Australia and New Zealand across all 4 divisions of NAB, BNZ, Ubank and JBWere. Overall there was some softening from previous year cash earnings were 8.1% lower than the strong levels of FY23, but stable over 2H24 compared with 1H24. Underlying profit is 6.9% lower over FY24 mainly reflecting margin pressure related to home lending competition although revenue and margin pressures are moderating.
- Expenses increased by 4.5% with key drivers including higher personnel expenses primarily due to salary-related and restructuring-related costs (\$260m), combined with continued investment spend (\$157M) in technology modernisation and compliance capabilities including fraud and cyber security. This was partially offset by productivity benefits (\$453m) achieved through continued process improvements and simplification as well as synergies associated with the acquisition of Citi's personal banking business.
- Total Shareholder Return over 3 years to September 2024 was 51% against an average of NAB peers of 24.6%. Highlights - Return on equity 11.6%, increase in dividend 1.2%, credit impairment charge as percentage of loans 0.10%
- This year there has been a further emphasis on fraud and scam prevention with the development of BioCatch to increase detection of suspicious behaviour, including The Big Scam Education Conversation which is available to all customers. As a result 1.4m real time alerts sent to customers with \$170m worth of payments abandoned together with blocks put on certain high risk crypto-currencies.
- NAB Venture Capital arm makes investments to test and incubate new customer propositions including *Zodia Custody*: an institutional-grade crypto-currency solution, *Banked*: operating as a cloud-based payment system, *Lighter Capital*: offering revenue-based financing to technology companies, *Archistar*: helping to find and assess housing development sites, *BuyCrowd*: identifying bugs and reducing risks in technologies, and *Trovata*: a cloud-based treasury management system. All new development investments are an indication of where the customer service is headed and demonstrate that NAB are constantly focussed on improving the experience for the customer.
- National Australia's result also showed the intensity of competition for mortgages with profit falling 8% to \$7.1bn and rising bad debts, albeit from low levels. Cash earnings from the retail bank fell nearly 20% to \$1.8bn, with only the bank's largest division — Business and Private Banking — able to hold profits flat.

See [ASA Voting guidelines](#) and [Investment Glossary](#) for definitions.

3. Matters Considered

Accounts and reports

Financial performance

(As at FYE)	2024	2023	2022	2021	2020
NPAT (\$m)	\$6.960	\$7,414	\$6,891	\$6,364	\$2,559
UPAT (\$m)	\$7.081	\$7,470	\$7,060	\$6,471	\$3,498
Share price (\$)	\$37.35	\$29.07	\$28.81	\$27.83	\$17.75
Dividend (cents)	169	167	151	127	60
Simple TSR (%)	34.3%	6.7%	8.9%	63.9%	(38.2%)
EPS (cents)	228	238	219.3	196.3	112.7
CEO total remuneration, actual (\$m)	\$2.982 (part year)	\$4.277	\$3.890	\$4.013	\$1.837 (part year)

Governance and culture

In response to the ASIC allegation that NAB failed to respond to the 345 hardship applications filed between October 2018 and September 2023 within the three week timeframe NAB have established a program of work in January 2024 to review the existing hardship practices including identification, communication, training and processes including adding an additional 26 staff to the team.

Key events

Australian Prudential Regulatory Authority removed the \$500m operational risk capital add-on in March. NAB are continuing to make progress on the implementation of Enforced Undertaking with Austrac. NAB 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.

Key board or senior management changes

Doug McKay ONZM 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 end of the Annual General Meeting having served almost nine years as a NAB director.

Anne Loveridge AM will also retire as a NAB director having served 9 years.

The appointment of Warwick Hunt to the NAB Board will be considered for election by shareholders at the AGM.

In February, Ross McEwan announced his retirement after four and a half years as Chief Executive Officer and Managing director. An internal appointment of Andrew Irvine was subsequently announced effective 2 April 2024. Mr Irvine was NAB's Chief Executive Business and Private Banking.

Senior management team changes during year are:

Rachel Slade was appointed Group Executive Business and Private Banking, effective 29 April 2024. Ms Slade was formerly Group Executive Personal Banking. Ana Marinkovic was appointed Group Executive Personal Banking, effective 29 April 2024. Ms Marinkovic was formerly Executive Business Direct and Small Business in Business and Private Banking.

Cathryn Carver was appointed Group Executive Corporate and Institutional Banking, effective 1 July 2024, replacing David Gall who left NAB on 1 October 2024 after 16 years with NAB including 10 years as an Executive Leadership Team member. Ms Carver was formerly Executive Client Coverage in Corporate and Institutional Banking.

Sustainability/ESG

There is a separate Sustainability Data Pack and the Board retains ultimate accountability for a whole group response. NAB has provided a wide range of sustainability finance which has grown to more than \$12 billion, and investment options and markets solutions such as carbon trading and ESG derivatives. They 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. The three areas for prioritised support are Climate Action (\$80b by 2030) Access to Affordable Housing (\$6b by 2029) and First Nations Economic Advancement (\$1b by 2026)

4. Rationale for Voting Intentions

Resolution 1 Election of Director Mr Warwick Hunt MNZM – For

Election of Director Mr Warwick Hunt, formerly Managing Partner of PWC United Kingdom, Europe, Middle East and Africa until 2022. Mr Hunt is an Honorary Fellow of Kings College London and a chartered accountant and if approved will be a member of the Board's Audit and Risk and Compliance Committee and Chair and independent non-executive director of the Bank of New Zealand a significant subsidiary of NAB. He is a director with Genesis Energy (dual listed Australia & New Zealand), Chair of BNZ and trustee of Hargreaves Trust. Based on the information provided ASA supports this nomination.

Resolution 2 & 3 Remuneration and Deferred Rights and Performance Rights CEO – For

The STI component is delivered as 60% cash and 40% deferred rights over a 2- and 3-year timeframe

The LTI is a four year performance plan comprised of two equally weighted components that represent 50% financial measure of relative Total Shareholder Return and 50% non-financial measure of NAB group risk

The LTI is tested after the four year performance period and the outcome of the two components are determined. For the CEO 1/3rd of any LTI will vest at the end of year 4, the other 1/3rd has a one year restriction period vesting at the end of year 5 and the final 1/3rd has a two year restriction period with vesting after year 6. The Remuneration and Deferred & Performance Rights for CEO are within ASA guidelines and therefore we support this resolution.

Resolution 4 Financial, Directors’ and Audit Report – no vote required

All information is available on the website, including CEO briefings or in hard copy by request.

Resolution 5

a. Amendment to the Constitution This resolution is not supported by the Board and is a special resolution requiring 75% approval to pass. It is a proposal to amend the Constitution to include a new provision that would enable shareholders, by an ordinary resolution to express an opinion or request information about the way in which the power of the Company vested in the Board should be exercised.

b. Transition Plan Assessments This item is only considered if item 5a is passed, if not it will not be put to the meeting. It relates to customers’ transition plan, climate strategy/ reporting and the ESG risk settings in relation to coal, gas and oil.

The NAB policy is covered in detail in the 2024 Climate Report and can be accessed from the Company website. ASA will vote against these constitutional changes sought by shareholder resolutions (advocates) as it effectively cuts across director responsibilities.

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Appendix 1

Remuneration framework detail

CEO rem. Framework for FY24	Target \$	% of Total Target opportunity	Max. Opportunity \$	% of Total
Fixed Remuneration (FR)	\$2,500,000	37%	\$2,500,000	29%
STI - Cash	\$1,125,000	17%	\$1,500,000	17%
STI – Equity #	\$750,000	11%	\$1,000,000	12%
LTI	\$1,750,000*	26%	\$3,500,000	42%
Total	\$6,750,000	100%	\$8,500,000	100%

* Taken as 50% of max opportunity representing threshold performance on TSR measure plus average performance on risk measure.

subject to vesting in future years

Other remuneration items of note are that a new 2024 enterprise agreement is effective for a 3 year period provides additional benefits including an extra week per year for leave and for salaries below \$111,500 a minimum of 4% increase. A \$1000 share or cash grant was paid to recognise staff contribution to Group performance for the year.