

NAB WANTS TO BE THE “Boring” BANK

Company/ASX Code	National Australia Bank/NAB
AGM time and date	9.30am Friday, 12 December 2025
Location	Melbourne Convention & Exhibition Centre, South Wharf Melbourne
Registry	Computershare
Type of meeting	Hybrid
Monitor	Christine Haydon
Pre-AGM Meeting	Yes, with Chair Philip Chronican, Director Kathryn Fagg, Investor Relations Sally Mihell and Richard Doody Head of Remuneration

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

1. How we intend to vote

No.	Re-election of Directors a. Philip Chronican b. Kathryn Fagg	For
2	Remuneration Report	For
3	Deferred rights and performance rights of CEO	For
4	Consideration of Finance Report, Directors’ Reports and Auditor’s Report	For
5	Resolutions requisitioned by a group of shareholders a. Amend the Constitution if passed by special resolution the following apply b. Disclosure of financed deforestation c. Strategy to eliminate financed deforestation d. Customer transition plan approach and climate commitments	Against

2. Summary of Issues and Voting Intentions for AGM

- A simpler, more modern bank is the key focus of NAB strategy to ensure that it is fit for the long term and capable of delivery to customers in the rapidly changing world. The very best strategies are actually boring, where you just keep doing what you said you would do and you are more consistent tomorrow than you were today- this is the focus.
- Key financial performance measures shows underlying profit grew 1% and net profit fell 2.9% with a 0.2% decrease in cash earnings from 2024 to \$7.07b. The two drivers were credit impairment charges of \$485m in the second half. Whilst bad debts remain low by historical standards NAB's business exposure is higher than its competitors. Victoria's financial situation is a factor and competition is fierce with both Commonwealth and Westpac pushing to grow their market share of business banking
- Business lending balances rose by 9.3%, deposit balances grew 7.4% and the proportion of mortgages written through NAB bankers improved to 41% with a continued focus away from broker channels
- Expenses rose by 4.6%, which included a \$130m charge due to underpayment of wages and staff entitlements. There is an ongoing emphasis on fraud and scam prevention with banks now providing payee account checks before transferring funds
- The board has declared dividends for the year at 170 cents per share returning \$5.2b to shareholders
- Over the 5 years to September 2025 the total shareholder return was 189.8%. the average for Nab bank peers is 168.1%.
- The bank continues a bias towards reducing the share count by completing \$8b in on market buybacks since August 21.
- Net promoter score, a key performance measure of banks, shows NAB second amongst Australian banks in mass consumer, business, large corporate and institutional banking and first amongst consumers in the Bank New Zealand.

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)	\$6.760	\$6.960	\$7,414	\$6,891	\$6,364
UPAT (\$m)	\$7.091	\$7.081	\$7,470	\$7,060	\$6,471
Share price (\$)	\$44.12	\$37.35	\$29.07	\$28.81	\$27.83
Dividend (cents)	170	169	167	151	127
Simple TSR (%)	14.5%	34.3%	6.7%	8.9%	63.9%
EPS (cents)	231	228	238	219.3	196.3
CEO total remuneration, actual (\$m)	\$5.624	\$2.982 part year	\$4.277	\$3.890	\$4.013

Governance and culture

Nab has produced a document in September 2025 called Board Composition, Renewal and Performance Policy which clearly covers all aspects of governance. Currently there are 9 board members consisting of 5 women and 4 men, with one domiciled in New Zealand. The policy designates a maximum tenure for Chair of 12 years from date appointed and 9 years for non-executive directors. Therefore, this will be the final re-election period for both the Chair Philip Chronican and Kathryn Fagg.

The requirement for non-executive directors to hold shares equal to the value of one year's board fees within 5 years differs from the ASA preferred time frame of 3 years. The CEO/MD is required to hold 2 times the value of their fixed remuneration within this period. The skills matrix does not identify skills by individual directors, so falls short of best practice. There are board education and further skilling opportunities available for all directors. The two areas where future improvement is identified are environmental and social and digital, and technology. It is acknowledged that this is a challenge for many Boards.

Key events

This year was the first full year of the bank's strategy to build a simpler, more modern bank that is fit for the long term and capable of delivering for customers in an ever rapidly changing world. The results in the 3 key areas of strategy are growing business banking - increased share (NAB largest business lender retained despite increasing competition).

Personal Deposit growth up by 9.2% and strengthening home lending “in-house” rather than through the mortgage broker channels. In July AUSTRAC confirmed the termination of NAB’s Enforceable Undertaking of April 2022, which was instituted to address shortcomings in compliance with Australia’s anti-money laundering and counter-terrorism laws, however there are still some payroll issues that need to be resolved.

Key board or senior management changes

Unexpected move of Nathan Goonan CFO to Westpac. Rachel Slade Business Banking replaced by Andrew Auerbach from the Bank Of Montreal (a former colleague of Andrew Irvine). There are four further changes in the leadership team announced: Pete Steel Group Executive Digital, Data and Artificial Intelligence, Shane Conway promoted to Group Executive Transformation, Sharon Cook Group Executive Customer and Corporate Services will retire 31st December 2025 and Inder Singh will commence in March 2026 as the Group Chief Financial Officer and Group Executive of Strategy.

Sustainability/ESG

The 3 focus areas for the sustainability strategy are Climate Transition with an \$80b environmental finance ambition for 2030.

1. Housing affordability where the \$6b financing goal has already been achieved ahead of schedule.
2. A further \$60b ambition by 2030 includes build to rent, community housing providers and support for the government 5% deposit scheme.
3. First Nation Economic Empowerment where lending to First Nation’s businesses grew by \$673.2m.

Detailed information is available in a separate Sustainability Report. ESG related events and risk issues are covered throughout the Annual Report with a separate Climate Report transitioning to Net Zero by 2050, a Pillar 3 report together with a new initiative of selected extracts from the Annual Report (now an annual holiday read of 265 pages).

ASA focus issues (not discussed above or under remuneration report or re-election of directors)

No issues outstanding.

4. Rationale for Voting Intentions

Resolution 1: Re-election of Directors

- a. **Mr Philip Chronican** was appointed as non-executive director in May 2016 and Chairman of the Board in November 2019. His prior career was leading ANZ’s retail and commercial banking business and a long period with Westpac including Chief Financial Officer. He has had broad experience in all aspects of banking and advocates for greater transparency and ethics in banking with extensive experience in

governance practices. He holds sufficient shares in the Bank and was appointed as a non-executive director for Woolworths in October 2021. He is not overboarded and therefore we will vote for his re-election.

- b. **M/s Kathryn Fagg** was appointed non-executive director in December 2019. Her prior career included operational and strategic leadership roles at ANZ in addition to leadership roles at Linfox Logistics and BlueScope Steel. She was on the board of the Reserve Bank, former chair of CSL and Boral and current chair of Watertrust Australia. She holds sufficient shares in the Bank and has 2 further non-executive director roles in Djerriwarrh Investments May 2014 and Medibank Private March 2022. She has well matched skills for this role and we support her reappointment.

It should be noted that considerable emphasis is being made on succession planning.

Resolution 2: Remuneration Report

This is comprehensively covered in the annual report and sets out the Group's policy, framework, required assessment of performance including remuneration outcomes, historical information and a new table of realised remuneration, which is a welcome voluntary disclosure to provide shareholders with complete transparency.

Resolution 3: Deferred Rights and Performance Rights for the CEO

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

The LTI comprises two equally weighted components that provide material weight to financial and non-financial measures in compliance with APRA requirements. 50% represents the financial measure of relative Total Shareholder Return and the non-financial measure of the NAB group risk. The two components are Long Term Equity and Long-Term Variable.

The LTI is tested after the four-year performance period, and the outcome of the two components are determined. For the CEO 1/3rd will vest at the end of year 4, the other 1/3rd has a one-year restriction period vesting after year 5 and the final 1/3rd has a two-year restriction period vesting after year 6. The TSR peer group is listed in the remuneration report. Full explanation is available in the Notice of Meeting.

Resolution 4: Consideration of Financial Report, Directors' Report and Auditor's Report

This item does not require a vote.

Resolution 5: Requisition by a group of shareholders.

- a. Amend the Company's 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. Our view is that the board is accountable for such matters, so we will vote against this.
- b. This item is only considered if 5a is passed. It relates to publicly exposing the bank's deforestation exposure through provision of finance to its agricultural sector customers

- c. As per item b only considered if 5a passed “disclose a strategy to eliminate financed deforestation.
- d. As above, this resolution requests the company confirm whether within its CTP (Customer Transition Plan) assessment framework that ratings of “Advanced”, “Well developed” or “Progressing” indicate the company has determined a customer is on a trajectory aligned with the climate goals of the Paris agreement and that the provision of new or renewed finance to such customers is consistent with the company’s climate commitments. Again, we believe that this is a board responsibility, so will vote against, though we do support climate transition plans being communicated to shareholders.

NAB’s ongoing assessment of deforestation risk and further disclosures relating to deforestation and in the Annual Report with further information available in the separate 2025 Climate Report.

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Appendix 1

Remuneration framework detail

CEO rem. Framework for FY25	Target* \$m	% of Total	Max. Opportunity \$m	% of Total
Fixed Remuneration	\$2,500,000	32%	\$2,500,000	29%
STI - Cash	\$1,125,000 60% of FR	14% 75% of FR	\$1,500,000	17%
STI - Equity Subject to vesting in future	\$750,000 40% of FR	9.5%	\$1,000,000	12%
LTI 50% financial and 50% non financial	\$3,500,000	44.5%	\$3,500,000	42%
Total	\$7,875,000	100.0%	\$8,500,000	100%

This year NAB has added a table called Realised Remuneration, which adds enhanced transparency to the remuneration paid to CEO and Group Executives. The CEO received a fixed pay of \$2.5m, variable payment of \$1.04m in cash, with the balance share based short- and long-term incentives.