



Thursday, 24 March 2022

ASX ANNOUNCEMENT

NAB completes \$2.5 billion on-market buy-back and announces further on-market buy-back of up to \$2.5 billion

NAB today announced the completion of its \$2.5 billion on-market share buy-back¹, which resulted in the buy-back of 86,925,469 ordinary shares. NAB has also announced that it will commence a further on-market buy-back of up to \$2.5 billion², bringing the total potential combined size to \$5 billion.

The further buy-back will allow NAB to continue managing its Common Equity Tier 1 (CET1) capital ratio towards its target range of 10.75 – 11.25% over time³. Subject to market conditions, NAB expects to commence the further buy-back following its 2022 Half Year results announcement on 5 May 2022.

“Our capital management strategy reflects the importance of maintaining a strong balance sheet through the cycle while allowing us to continue to support growth and deliver improved shareholder returns,” NAB Group Chief Executive Officer Ross McEwan said.

“The further \$2.5 billion on-market buy-back announced today supports our ambition to reduce share count and increase sustainable ROE benefits for our shareholders.”

Capital impact

NAB continues to operate well above APRA’s Unquestionably Strong benchmark of 10.50% (under current APRA capital standards), with a reported CET1 capital ratio of 12.4% as at 31 December 2021.

The further \$2.5 billion on-market buy-back will reduce the Group’s CET1 capital ratio by approximately 58 basis points. The Group’s pro forma CET1 capital ratio as at 31 December 2021 reflecting that further buy-back and the other adjustments set out below is 11.3%.

Reported CET1 capital ratio as at 31 December 2021	12.4%
Adjusted for:	
Shares bought back on-market and cancelled since 31 December 2021	(0.32%)
Proposed acquisition of the Citigroup Australian consumer business	(0.31%)
Proceeds from the BNZ Life divestment	0.06%
Further \$2.5 billion on-market buy-back	(0.58%)
Pro forma CET1 capital ratio as at 31 December 2021	11.3%

The timing and actual number of shares purchased under the further on-market buy-back will depend on market conditions, the prevailing share price and other considerations.

¹ Announced on 30 July 2021.

² The further buy-back is expected to be undertaken over approximately 12 months.

³ Capital ratios referenced in this announcement refer to Level 2 CET1 capital under current APRA capital standards.

The implementation of APRA's new regulatory capital framework on 1 January 2023 is not expected to materially change the amount of capital required to be held by NAB.

Future capital management actions

Any further capital returns will be dependent on market conditions and capital outlook at the time.

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