



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-back<sup>1</sup>, 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 billion<sup>2</sup>, 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 time<sup>3</sup>. 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.

<sup>1</sup> Announced on 30 July 2021.

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

<sup>3</sup> 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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