

Friday 16 December 2022

## **ASX ANNOUNCEMENT**

### **2022 Annual General Meeting (AGM) – Chair and CEO Address and Proxy Summary**

National Australia Bank Limited (NAB) attaches the following documents to be presented at the 2022 AGM being held today at 9:30am (AEDT) at Grand Hyatt Savoy Ballroom, Level 8, 123 Collins Street, Melbourne, and via Online at <https://meetnow.global/NAB2022> using the platform provided by NAB's share registry, Computershare Investor Services Pty Limited:

- Chair's address.
- CEO's address.
- Slide showing percentage of direct and proxy votes received on each resolution in advance of the meeting.

Further details on the direct and proxy votes received on each resolution in advance of the meeting are also provided in the attached schedule.

The results of the AGM will be communicated to the ASX shortly after the conclusion of the AGM.

Approved for distribution by Louise Thomson, Group Company Secretary

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## **2022 ANNUAL GENERAL MEETING - CHAIR'S ADDRESS**

### **Mr Philip Chronican, Chair**

Today I would like to reflect on our performance for shareholders during the past year and discuss the future of our business.

NAB has continued its journey in becoming a better bank. NAB today is a much more focused and capable organisation than it was three years ago.

We have a track record of disciplined execution and are delivering sustained performance, while maintaining strong balance sheet settings and keeping the bank safe.

This performance is being recognised by investors, with NAB's total shareholder return of 8.6 per cent in the 12 months to September 2022, against an average return of negative 12.9 per cent for NAB's major bank peers. NAB's total shareholder return is also now a clear number two of major bank peers over 2 years and 5 years.

Our progress has been made in a sustainable way while continuing to support our customers and communities, particularly when they need us most.

This has included stepping up to help communities devastated by floods and customers experiencing the pressure of cost-of-living increases.

The continuity and strength in our leadership and strategy underpins the stability we now have in the bank.

It is improving our business in a variety of ways. NAB's products and processes are simpler for customers and colleagues.

Loans are approved more rapidly and digital banking is more resilient thanks to investment in NAB's underlying technology, and in our digital, data and analytics capabilities.

Strong technology platforms help to protect customers against cyber-attacks and fraud. High-profile cyber-attacks against large Australian businesses this year demonstrate the need for continued vigilance and cooperation.

Every year we invest tens of millions of dollars to keep our customers and the bank safe. We employ hundreds of people across our cyber security, scams and fraud teams. And we work collaboratively with government authorities, including the Australian Cyber Security Centre and the Australian Federal Police.

As we have improved the bank, we have not forgotten lessons of the Financial Services Royal Commission. Many of the issues identified are now addressed but we need to remain vigilant about getting the basics right.

Earlier this year we entered into an Enforceable Undertaking with our anti-money laundering regulator, AUSTRAC. This follows an enforcement investigation undertaken by AUSTRAC in relation to NAB's compliance with Australia's anti-money laundering and counter-terrorism financing laws. We are on track to deliver the actions agreed with AUSTRAC.

We are acutely aware of the important role the bank plays in monitoring and reporting suspicious, and potentially criminal, activity and we will continue to make investments that help to keep our communities safe.

NAB is making excellent progress on our strategy and the Board is encouraged to see the operational results that this is delivering.

This is reflected in improved earnings, with all businesses contributing to underlying profit growth, and significant and sustainable momentum across the Group.

Our most recent colleague engagement score is 76, which is consistent with our results throughout 2022, though short of our goal of meeting the global top quartile score of 78.

The Board has determined a final dividend of 78 cents per share, bringing total dividends declared this year to 151 cents per share and returning \$4.8 billion to shareholders. This outcome sits within our target payout ratio in the range of 65 to 75 per cent of sustainable cash earnings.

NAB delivered a cash return on equity of 11.7 per cent for the 2022 financial year – a pleasing increase of a full one per cent on last year.

NAB's strong balance sheet settings are integral to keeping the bank safe. Our capital ratio at the end of September 2022 was more than 11 and a half per cent, which sits above our target range of 10 and three quarters and 11 and one quarter per cent.

Taking into account the remaining \$600 million of announced buy-backs and the estimated impact of APRA's revised capital framework, NAB's capital ratio at 30 September 2022 would have been 11.8 per cent – comfortably above our revised target range from January 2023 of 11 to 11 and a half per cent.

Executive and employee remuneration outcomes determined by the Board for financial year 2022 reflect an assessment of performance against all targets in NAB's 2022 plan. This includes financial performance, customer outcomes, colleague engagement, safe growth and NAB's performance against peers.

The Board awarded a Group Performance Indicator outcome of 92 and a half per cent. This reflects a strong performance on financial measures and the fact that challenging colleague and customer targets were not fully met. It was also adjusted downward in recognition of the impact on financial performance of the rising interest rate environment.

In view of the challenges of recent years, economies globally are facing new trials and uncertainty remains. We are actively considering the geopolitical landscape and its impact locally. Next year could be a little rocky but I am optimistic for the medium term.

Your Board is confident that Ross McEwan and the Executive Leadership Team have the experience and strategy in place to manage the challenges of the future.

While we are alert to the issues that rising interest rates, inflation and geopolitical risks may bring, we have demonstrated our ability to manage through and look after our customers.

The Australian economy is resilient, and we are in a strong position to take on challenges that arise.

Identifying long-term shifts in NAB's broader operating environment and acting appropriately is critical to protecting and building value for shareholders and helping our communities prosper.

Climate change is one of – if not the – most significant long-term challenges and opportunities of our time.

The Federal Government's legislated 2030 and 2050 emissions reduction targets and associated changes provide welcome certainty and send a strong investment signal to businesses and the world.

NAB has an impact through what we choose to finance. We are playing an important role in progressively redirecting funding from emissions intensive sectors toward low and zero emissions activity.

There is no question that this needs to happen. By 2050, Australia's economy will look very different. It will have to be so, to achieve net-zero.

We already see this in the significant growth in renewable energy. NAB continues to fund more projects to expand the global supply of renewable energy than any other Australian bank.

Today, more than 73 per cent of our total lending to the power generation sector is for renewables: hydro, solar and wind. This represents a 58 per cent increase in just five years and it will continue to grow.

Decarbonisation makes good business sense for our customers and they're taking this seriously too. We're seeing them increasingly invest and innovate to make the reductions necessary, but also to drive down costs and improve productivity.

Australia is at a critical juncture in its transition to a low-carbon economy. If we get it right, the opportunities are immense in protecting our environment and growing our economy.

We all have a role to play in delivering on this potential, for ourselves and certainly for future generations who demand our attention and action.

Another major opportunity in the year ahead is the prospect of a national referendum on the Constitutional recognition of Indigenous Australians.

To further the Board's understanding of this issue, we spent time with land councils, indigenous businesses and activists during our annual regional Board meeting, which was held in Darwin this year.

I also had the privilege to spend time with one of our indigenous business bankers and saw first-hand the great work that can be achieved by our bankers who are also affiliated with the Indigenous community.

As a bank, we thrive when we operate in cohesive, well-functioning communities. Indigenous Recognition is an important step forward and why NAB is supporting the proposed Voice to Federal Parliament.

Engaging NAB's 29,000 Australian employees about Indigenous recognition is important and underway.

Ensuring your Board is well appointed to carry the bank forward is a constant focus.

Kathryn Fagg, Doug McKay and I stand for re-election at the Annual General Meeting today with the full support of the Board and we are anticipating appointments in 2023 that will enhance the diverse skills and experience of directors.

In closing, thank you on behalf of the Board to NAB's shareholders for your ongoing support. To the team at NAB, thank you for your hard work in serving customers well and helping our communities prosper. And to our customers, thank you for continuing to bank with us. We're not there yet, but we are getting closer to being the bank we want to be.

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## **2022 ANNUAL GENERAL MEETING – CEO’S ADDRESS**

### **Mr Ross McEwan, Managing Director & CEO**

It’s great to have so many of you join us in-person following two Annual General Meetings that have been held only virtually.

Thank you also to everyone who is joining us online, wherever you are dialing in from.

I’d also like to acknowledge the Traditional Custodians of the land on which we meet today, the Wurundjeri people of the Kulin nation and pay my respects to their Elders, past, present and emerging.

NAB has pledged support for an Indigenous Voice to Parliament as we strongly believe that the economic advancement and financial aspirations of First Nations people reflects our ambition to serve customers well and help communities prosper.

When I spoke at this meeting last year, I was optimistic that after two years of Covid-related interruptions, Australia’s economy would rebound strongly in 2022.

While there have been setbacks, it has been tremendous to see that Australian businesses have had a very good year overall. 2022 saw businesses rebound with strong credit growth of 14.7 per cent.

It is clear that 2023 will be a year of slower growth than 2022, and challenges will continue to emerge and evolve.

However, I continue to be optimistic about the future for Australia and New Zealand, and our customers and communities.

Resilient business conditions and a return to higher levels of migration mean Australia is well-positioned to deal with headwinds coming from rising interest rates and high inflation.

New Zealand looks like its business conditions will face more headwinds with interest rate rises slowing the economy down considerably.

Many of our customers are now facing conditions they may not have experienced for a number of years. Higher inflation, rising interest rates and slower growth are starting to impact both businesses and consumers.

Thankfully, the vast majority of our customers are well positioned to manage.

For those in difficulty, my message is simple. Please contact us. The earlier customers experiencing difficulties speak to us, the quicker and more likely we can help.

As the Chair noted, NAB has made good progress this year in making our bank stronger, safer and simpler, while remaining firmly focused on our twin peaks of customers and colleagues.

Our recent Full Year Results reflect this progress. By continuing to execute our strategy, we have delivered better outcomes for customers and colleagues and improved earnings and shareholder returns.

Being a relationship bank is core to who we are and to help support this, we added more than 300 customer facing business bankers this year. This has helped Business & Private Banking again perform strongly with small and medium business lending and Agri gaining on what was already market leading share. More than one in three dollars lent in agriculture now comes from NAB.

In Personal Banking, Australian home lending grew 7.1 per cent while unconditional approval times were nearly halved in our retail channel.

We are well progressed in our journey to becoming a simpler and more digital bank. In particular, we are building and delivering better digital experiences for customers as the use of cash and cheques declines further. Over-the-counter transactions were down a further 18 per cent this year, while the use of cheques fell by 24 per cent. 97 per cent of customer interactions are now through digital channels.

During the year we also completed the acquisition of Citigroup's Australian consumer banking business, welcoming 800 new colleagues to NAB and contributing further to our growth. The acquisition will help give our unsecured lending business the scale it needs to provide an even better proposition for customers in the future.

Corporate & Institutional Banking had a very disciplined approach to growth while again ranking number one in the latest Peter Lee survey. This is strong recognition of its ability to deliver customer outcomes while also improving returns.

In a challenging market, our New Zealand Banking business achieved small and medium business lending growth in line with system and disciplined growth in home lending. BNZ's overall financial results were very good.

NAB's customer net promoter scores rank first or second of the Australian major banks across key segments, supported by a simpler business and the delivery of more seamless, digital experiences for customers.

There is still more to do to achieve our objective of being number one of the major banks with positive NPS.

An area we are increasingly looking to support and protect our customers and the bank is the issue of cyber-security.

I said recently that cyber-attacks are the sort of thing that keep CEOs up at night. It is a huge issue for businesses, including ours, for customers and for society more broadly.

We are devoting more resources to combat cyber-attacks, fraud and scams, working within our own bank and as part of national efforts to protect all Australians and New Zealanders. Our customers and our bank are constantly under attack and we must all be vigilant to this global threat.

We have bankers and experts here today in the foyer ready to share tips and information about scam and fraud prevention. I encourage you to take the time to talk to them, to learn how to recognise scams and to keep yourselves and your family safe from cyber criminals.

Throughout the year, we have continued to focus on serving customers well and supported those who need help.

Devastating natural disasters, including recent floods in Victoria and New South Wales, have impacted many communities. We continue to be there to support people to get back on their feet, and to build resilience against future disasters.

Through our NAB Ready Together program and the NAB Foundation, we provided \$4.87 million in support to customers, charities and communities affected by natural disasters across Australia.

We continue to invest in our colleagues to raise the professionalism of our industry, with almost 10,000 having completed the Career Qualified in Banking program, which builds capability and lifts standards. Our Distinctive Leadership program is about developing great leaders and ensuring we have consistent leadership across the bank.

We've trained more colleagues through the Melbourne Business School's climate program so we can better support customers through the transition. We have provided training to more than 4,800 colleagues through the NAB Cloud Guild to help transition our technology applications to the cloud, which helps provide more stable technology for customers.

Like many businesses in Australia, we have not been able to find enough people with the appropriate technology and digital skills that are critical to execute our strategy. That's why we also now operate a technology innovation centre in Vietnam with another being built in India, to help supplement capabilities in Australia.

Colleagues are one of the twin peaks of our Group Strategy, alongside customers, so it was disappointing that our recent proposed Enterprise Agreement did not attract the support of the majority. Despite this, I appreciate the high level of engagement, with more than 84 per cent of colleagues voting, and that people were able to freely express their views.

We have now commenced a process with colleagues to listen and understand their feedback. We have made the decision to provide the first year of pay increases and additional benefits proposed in the new agreement. We will continue to work with the Finance Sector Union on a revised Enterprise Agreement for the next few years.

At our Full Year Results last month, we released our first climate report. Responding to climate change is one of our key priorities. The transition to a low carbon economy as we move to net zero presents environmental and economic opportunities and challenges for our customers and NAB.

NAB has announced the appointment of our first Chief Climate Officer. This position reflects the increasing requirements in all parts of the economy, and all parts of the bank, to help customers make the transition to a low emissions future.

Everyone has a role to play in achieving this country's net zero ambition. Government, business and every household will need to make changes. Research tells us that around 20 trillion dollars will need to be spent differently in Australia in the next 30 years to get there.

We are the number one Australian bank for global renewable energy transactions and among the top banks in the world on this measure. We are reducing our exposure to fossil fuels in support of an orderly transition of the energy system.

As we look to the year ahead, we expect to continue to have very low unemployment and robust business conditions, though they will be slower than 2022. As I mentioned earlier, clearly there are headwinds and the economy is slowing, but we still expect growth.

NAB itself is also in good shape. We are staying disciplined, focused on what matters and getting the basics right more often.

We have the right business mix, targeted momentum and a strong balance sheet, which means we can make very deliberate choices about where we invest to continue to grow and to maximise returns in this changing environment.

I'm pleased with our progress and excited about what's ahead.

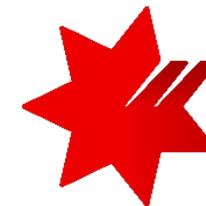
Thank you again for being here and the Chair and I look forward to taking your questions.

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# Direct and Proxy Votes

(including Chair's open proxies)

national  
australia  
bank



Item of Business	% For	% Against	% Other Open
1(a) Re-election of Director - Mr Philip Chronican	98.10	1.54	0.36
1(b) Re-election of Director - Ms Kathryn Fagg	98.25	1.39	0.36
1(c) Re-election of Director - Mr Douglas McKay	98.81	0.83	0.36
2 Remuneration Report	96.89	2.76	0.35
3(a) Deferred Rights - Group Chief Executive Officer	98.64	1.00	0.36
3(b) Performance Rights - Group Chief Executive Officer	98.18	1.46	0.36
4 Amendments to Company's Constitution	99.27	0.37	0.36
6(a) Resolution requisitioned by shareholders - Amendment to Constitution	4.48	95.16	0.36
6(b) Resolution requisitioned by shareholders - Climate Risk Safeguarding (conditional upon 6(a))	6.70	92.95	0.35

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Schedule of Advance Voting Results at Close of Proxy and Direct Voting  
As at 9:30am AEDT Wednesday 14 December 2022

Resolution Details		Instructions Given to Validly Appointed Proxies (at Close)					Direct Votes (at Close)		
Item & Resolution	Resolution Type	For	Against	Chair's Open Proxies	Other Open Proxies	Abstain	For	Against	Abstain
1(a) Re-election of Director - Mr Philip Chronican	Ordinary	1,603,887,336	23,910,881	2,852,328	6,033,458	2,708,158	40,726,384	2,098,979	1,232,741
1(b) Re-election of Director - Ms Kathryn Fagg	Ordinary	1,607,095,407	20,783,139	2,796,504	6,049,595	2,667,516	40,417,747	2,528,271	1,107,817
1(c) Re-election of Director - Mr Douglas McKay	Ordinary	1,611,504,155	11,816,611	2,879,870	6,054,704	7,136,821	40,616,575	2,175,576	1,265,953
2 Remuneration Report	Ordinary	1,579,841,281	36,472,047	2,918,888	5,918,243	14,239,143	32,682,966	9,616,667	1,478,898
3(a) Deferred Rights – Group Chief Executive Officer	Ordinary	1,619,708,047	5,385,113	2,858,591	5,959,140	5,481,270	31,600,421	11,339,388	1,158,762
3(b) Performance Rights – Group Chief Executive Officer	Ordinary	1,611,990,683	13,117,579	2,852,283	5,952,907	5,478,709	31,543,401	11,405,376	1,149,794
4 Amendments to Company's Constitution	Special	1,626,039,765	1,459,667	2,925,247	6,032,544	2,934,938	37,332,327	4,853,298	1,806,012
6(a) Amendment to the Constitution	Special	68,313,173	1,510,646,787	2,883,203	5,841,672	51,707,331	4,746,597	37,470,189	1,800,041
6(b) Climate Risk Safeguarding (conditional upon 6(a))	Ordinary	107,069,486	1,515,879,125	2,895,611	5,829,165	7,718,779	5,133,949	37,779,847	1,100,391