

Friday, 15 December 2023

ASX ANNOUNCEMENT

2023 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 2023 AGM being held today at 9:30am (AEDT) at Fullerton Hotel Grand Ballroom (Level B), 1 Martin Place, Sydney, and via Online at <http://meetnow.global/NAB2023> 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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2023 ANNUAL GENERAL MEETING - CHAIR'S ADDRESS

Mr Philip Chronican, Chair

My address today reflects on our performance for shareholders during the past year and discusses the future of our business.

Strength and stability

We are making steady progress in building the bank we want, and that work continues.

Since his appointment four years ago, our Group Chief Executive Officer Ross McEwan has maintained his intent for NAB to be a good bank that gets the basics right for customers.

Under Ross' leadership, consistent execution of the bank's strategy over multiple years is benefitting our customers, our employees and you as owners of the company.

Pleasingly, during the three years to September 2023, NAB has delivered a total shareholder return of around 86 per cent, compared with an average return of around 65 per cent achieved by NAB's major bank peers.

The broader executive leadership team is consistent in delivering NAB's strategy and demonstrating discipline in how they lead the bank.

This includes prioritising the experiences of our customers and our people. We are seeing improvements in customer feedback metrics and market share in many areas although there is more work to do. Our colleague engagement is now top quartile against global peers.

The calibre of our senior people has been demonstrated through internal appointments to executive roles during the year.

Increased capability within the organisation has enabled us to grow the bank safely and support our customers in a complex economic environment and against the increasing prevalence of fraud and scams.

We continue to invest to keep our customers and the bank safe. We have added hundreds of people across our cyber security, scams and fraud teams, and our collaboration with government authorities is ongoing.

We are improving our culture with a strong focus on the contributions we make in the communities we serve.

Culture and risk management remain front of mind for all of us.

The outstanding regulatory issues identified through the Financial Services Royal Commission have largely been closed and we are remediating issues more efficiently for our customers.

Matters relating to NAB's Enforceable Undertaking with AUSTRAC are progressing to plan.

The lessons learned from the Royal Commission and NAB's own self-assessment into governance, accountability and culture continue to guide our approach to keeping the bank safe, protecting customers and innovating to be a leading financial services provider.

Financially secure bank

NAB's strong financial performance and an increase in underlying earnings reflects a positive contribution from all business divisions this year.

The Board determined dividends for the year of \$1.67 per share, returning \$5.2 billion in total to shareholders. This outcome sits within our target payout ratio range of 65 to 75 per cent of cash earnings.

NAB delivered a cash return on equity of 12.9 per cent for the 2023 financial year, 1.2 percentage points higher than the 11.7 per cent delivered in 2022.

For the third consecutive year we have undertaken a share buy-back while maintaining healthy capital levels integral to keeping the bank safe. This supports our ambition to progressively manage down our share count and support shareholder returns.

The Board remains focused on maintaining responsible levels of executive remuneration.

Executive and employee remuneration outcomes for the year have been determined based on the bank's performance against the targets set out in NAB's 2023 plan.

These targets are aligned with shareholder outcomes and include financial performance, market share growth, customer outcomes and colleague engagement.

The Board determined a Group Performance Indicator of 90 per cent for the 2023 financial year. This score reflects a strong performance on financial measures and good progress being made against our strategy, while also recognising that some targets for customer, market share and gender equality were not fully met.

Board renewal

Renewing and reshaping your Board has been a consistent focus and we have made several changes to the Board's composition during the past year.

Earlier this year, we were pleased to announce the appointment of three new directors.

Christine Fellowes, Carolyn Kay and Alison Kitchen will be considered by NAB's shareholders for election to the NAB Board as the first item of business in today's meeting.

In addition, Simon McKeon and Ann Sherry will stand for re-election with the Board's full support.

After having each served three terms of three years, David Armstrong and Peeyush Gupta will retire from the NAB Board at the conclusion of today's meeting.

On behalf of all shareholders, I want to thank David and Peeyush for their significant contributions during the past nine years.

These changes are in line with NAB's Board renewal strategy and our desire to bring relevant new skills, experience and broader diversity to our Board.

As you will have seen in the Notice of Meeting, Stephen Mayne has also nominated himself for election as a director. The Board has considered his nomination and does not endorse his election.

Preparing for the future

Looking forward, we are determined to secure NAB's position for the long term. The economic environment remains uncertain and there are new and emerging risks to be managed.

While the Australian economy is slowing, it is still growing, and Australia is in a good position. We are cautiously optimistic about the future but also alert to the geopolitical tensions at play and the impact that these may have.

We are modernising our technology and our digital, data and analytics capability to prepare the bank for the future.

I would like to reflect on progress since my AGM address last year when I outlined a major opportunity for 2023 was the prospect of a referendum for an indigenous Voice to parliament.

Where appropriate, we will engage in and take action to support broader community issues where there is a benefit for our customers, community and the bank. These decisions are made after careful consideration of a range of views.

During the year we continued our support for the 'Yes' campaign on the referendum for an indigenous Voice. NAB related entities donated \$1.5 million to charities supporting the Voice campaign, comprising \$200,000 from NAB itself and \$1.3 million through our charitable trust, the NAB Foundation.

We did this because of our strong interest in addressing First Nations disadvantage in the communities in which we operate.

Following the vote, I recognise that it is now a time for reflection as we consider the outcome and implications of the recent referendum.

We acknowledge the result and the views of some shareholders who wrote to us ahead of this meeting regarding the use of shareholders' funds in support of the campaign.

I have been fortunate in my role as NAB Chair to spend time with land councils, indigenous businesses and activists, as well as our indigenous business bankers. I have seen what can be achieved by bankers who are affiliated with the indigenous community.

The national referendum brought important focus to the issue of reconciliation and our indigenous communities. NAB will continue to support reconciliation through our own Reconciliation Action Plan and growing our indigenous business activities.

During the year, I also spent time with NAB's customers in different industries and regions around Australia who are acting on climate change.

Big and small, they are taking decarbonisation seriously by investing and innovating to reduce emissions and to drive productivity and profitability in their businesses.

This included a trip to the rural community of Narrabri. There I saw the community's grassroots response to the climate transition and heard from community members about transition issues and opportunities in their region.

I learnt about innovations in plant breeding, as well as cloud-based technology that traces and verifies cotton fibres from the farm gate through to a high-street store.

Decarbonisation is gathering pace and Australia is at a critical juncture in its transition to net-zero emissions.

What we achieve from now to 2030 is important and Australia needs to act quickly to set up our economy to capitalise on the opportunity before us.

This year NAB set 2030 decarbonisation targets for another three emissions-intensive priority sectors: aluminium, iron and steel, and aviation. This builds on targets set last year for power generation, oil and gas, thermal coal mining and cement production.

We continue work on targets for other sectors, in line with our ambition to align our lending portfolio to net zero emissions by 2050.

NAB has a critical role to play in funding and supporting Australia's transition to net-zero and we will keep backing our customers to realise the opportunity.

On behalf of the Board, I would like to thank you, our shareholders, for your ongoing support. I would also like to recognise NAB's team of more than 38,000 for the work they do serving customers well and helping our communities prosper.

NAB has come a long way in recent years. We are pleased with the progress being made but clearly recognise that we have more to do.

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2023 ANNUAL GENERAL MEETING – CEO'S ADDRESS

Mr Ross McEwan, Managing Director & CEO

Welcome to our shareholders. It's great you could join us today.

Building momentum and capability

2023 has been a strong year for your bank.

Our strategy is into its fourth year. With a focus on customers and colleagues, we are making good progress to be a simpler, better performing bank.

We are also seeing the benefits of the choices we are making on where we invest.

Our cash earnings increased 8.8% to \$7.73 billion in 2023, with all of NAB's businesses playing their part.

In particular, our leading Business & Private Banking division. This is a terrific business built on strong relationships with customers and it remains the largest lender to small and medium sized businesses in Australia.

During the past three years we have invested about \$1.3 billion in this division, while adding more than 600 customer-facing roles.

We are determined to make this franchise even better for our customers.

The strength of our Business and Private division allowed us to make the deliberate decision to moderate growth in home lending, where returns have been challenged.

Competition in home lending has been as tight as I've seen in my time in Australian banking, with margins under pressure. We will maintain a disciplined approach in this line of business.

At the same time, we're working to build a stronger deposit franchise. During the past four years we have grown our share of both business and household deposits. We have also seen growth in new transaction account openings as we support more customers with their savings.

We recognise the importance of providing competitive rates, particularly for retirees and those looking to save for a home deposit. The rates on some of our most popular savings products have increased beyond the rise in the cash rate during the past 18 months and we are delivering the highest rates to NAB savers since 2008.

In our Personal Banking division, we have progressed the integration of the Citi Australia business and our ambition is to deliver market-leading capability in unsecured lending.

Our digital bank ubank has completed its customer migration to its upgraded platform following the purchase of 86400 and has gained 175,000 new customers in the past year.

The Corporate & Institutional business reported a 14.9% increase in cash earnings, benefiting from a disciplined focus on returns.

BNZ saw cash earnings increase 8.5% as lending grew in a challenging market.

While it was a strong year overall, conditions deteriorated in the second half as persistently high inflation drove costs higher and competition remained intense.

We expect 2024 will remain challenging, reflecting slower economic growth, ongoing higher inflation and continued competition.

We will be disciplined on costs, while maintaining investment in the experience of customers and colleagues.

This includes making sure we have people where our customers need us most.

In 2023 we increased the size of our NAB Assist, and scams and fraud teams to ensure we could better support and protect our customers.

We hold the first or second spot among major banks for customer net promoter scores across key segments, but there is more to do here.

For colleagues, we delivered a simpler, more modern Enterprise Agreement this year. And our focus on the skills and development of our colleagues is supporting a capable and engaged workforce that can meet more of our customers' needs.

Our colleague engagement score has reached 78, which is above the global top quartile target.

Well positioned to rebound

This year has been challenging for many in Australia and New Zealand.

Looking forward, I remain optimistic. Business conditions are above average and while some business owners are worried, many remain ambitious for growth.

With demand for our natural resources and strong employment and migration, Australia's economy is well positioned to improve in the second half of next year.

In New Zealand, there is also reason for optimism. High migration and low unemployment should support a return to growth during the next 12 months.

And while New Zealand has been close to recession this year, I expect Australia will avoid this outcome. However, it will continue to feel harder for some time.

Supporting and protecting customers

Since May 2022, when rates started increasing, we have made more than 620,000 check-ins to personal banking customers.

While a very small number have required help, the message we've heard loudly has been 'thank you, we're doing ok'.

It's clear the 13 increases to the cash rate are being felt by homeowners, but it is often Australians who don't own their home facing the greatest difficulty. Remember that around one in three Australian households have a mortgage, but 100% experience the impact of the higher cost of living.

Rental prices have risen about 10%, while the cost of energy, food and other essentials have jumped. For those on low incomes, these cost increases have been particularly significant.

Despite the economy slowing, house prices have climbed this year, sharply reducing housing affordability.

For many seeking the great Australian dream of home ownership, it likely now feels further away.

We haven't built the number of homes required for our growing population. It is one of the biggest problems facing the country right now.

There has been some action, but we need to work faster to free up tracts of land and build homes.

NAB is determined to do more here, working with customers, partners and the government.

Our 20-year community partnership with Good Shepherd is entering a new phase with a focus on affordable housing.

And we also announced a target to lend at least a further \$6 billion by 2029 to help more Australians access specialist and affordable housing.

Combatting scams

At last year's AGM, I discussed the scams epidemic. That epidemic is growing and we are working hard to fight back.

This year we introduced a range of initiatives to better protect our customers from the global criminal groups relentlessly targeting Australians.

Improvements include being the first Australian bank to remove links from unsolicited text messages and the introduction of payment prompts to slow down digital payments that seem unusual.

We will find more ways to better protect our customers.

We have experts ready in the foyer to chat to you about how to keep yourself and your family safe.

Investing in the future

As well as protecting customers today, we are investing to protect customers and the community into the future. This includes the effects of climate change.

Natural disasters are becoming all too frequent. NAB Foundation helps communities withstand and recover from natural disasters. The Foundation has partnered with Disaster Relief Australia to recruit and manage 3,000 volunteers who can be on stand-by for when disasters happen.

Taking action on climate change is everyone's job as Australia reaches a critical point in the transition to a net zero economy. We recognise our role at NAB is to support our customers to get there.

NAB is the number one Australian bank provider of project finance to the global renewable energy sector and has been for some time.

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We have launched new products and initiatives, including business finance for green equipment, an Agri Green Loan and carbon market capability.

We are also building banker expertise, with 1,200 colleagues completing specialised climate training in 2023.

Supporting First Nations Australians

In November, NAB announced a new target to more than double our lending to First Nations businesses and community organisations to at least \$1 billion over the next three years.

We recognise a strong First Nations business sector creates opportunities for communities to succeed and contributes to a strong Australian economy.

We want to work together to strengthen financial resilience and increase business and employment opportunities. To do this we need to remove barriers that have made it more difficult for First Nations customers and businesses to access financial services.

Embracing emerging technology

Technology is transforming the communities we serve and the way our customers bank with us.

This includes developing new digital tools and investing in banking hubs able to assist customers with more complex needs. At the same time we are also having to make difficult decisions to close some branches.

Some shareholders have expressed disappointment about these closures, and we understand the effect they can have on local communities.

These decisions are only taken after careful consideration of a range of factors, including understanding how the local community does its banking.

More than 93 per cent of customer interactions now happen online, while over the counter transactions in branches have more than halved in the past four years.

In regional Australia, many customers travel to nearby larger towns and cities to do their banking together with other specialist services and their shopping.

It is in many of these locations where we are investing in our network. Since October 2019, we have invested \$280 million into 200 branches, including more than \$100 million in regional locations.

These refurbishments and new hubs in locations such as Ballarat, Wagga Wagga and Kalgoorlie, have purpose-built spaces for more specialised and complex conversations.

We also continue to invest in our partnership with Australia Post, which provides Bank@Post in more than 3,400 locations across the country, and we would like to expand that service further.

It is also important to note that when a branch closes, all of our colleagues are offered new roles across the bank.

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Optimistic for the future

I am optimistic about your bank and its prospects despite a slower economy.

The banks that perform best over time will be those that get the basics right consistently. We are determined to do this for our customers and our colleagues.

Thank you to our customers for choosing to bank with us, to our colleagues for their dedication this year and to you, our shareholders, for choosing to invest in NAB.

We look forward to continuing to serve you in 2024.

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Direct and Proxy Votes

(including Chair's open proxies)

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Item of Business	% For	% Against	% Other Open
1(a) Re-election of Mr Simon McKeon AO as a director	97.89	1.54	0.57
1(b) Re-election of Ms Ann Sherry AO as a director	98.98	0.44	0.58
1(c) Election of Ms Christine Fellowes as a director	99.09	0.33	0.58
1(d) Election of Ms Carolyn Kay as a director	99.10	0.32	0.58
1(e) Election of Ms Alison Kitchen as a director	99.09	0.33	0.58
1(f) Election of Mr Stephen Mayne as a director (self-nomination)	1.24	98.19	0.57
2 Remuneration Report	97.76	1.67	0.57
3(a) Grant of Deferred Rights to Group CEO	98.30	1.14	0.56
3(b) Group Performance Rights to Group CEO	97.48	1.95	0.57

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Direct and Proxy Votes

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Item of Business	% For	% Against	% Other Open
5(a) Resolution requisitioned by shareholders - Amendment to Constitution	5.25	94.15	0.60
5(b) Resolution requisitioned by shareholders - Transition Plan Assessments (conditional upon 5(a))	28.43	71.00	0.57

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National Australia Bank Limited

Annual General Meeting
Friday, 15 December 2023



**Schedule of Voting at Close of Proxy and Direct Voting
As at 9:30am AEDT Wednesday 13 December 2023**

Resolution details		Instructions given to validly appointed proxies (as at proxy close)					Direct votes (as at close of direct voting)		
Resolution	Resolution Type	For	Against	Chair's Open Proxies	Other Open Proxies	Abstain	For	Against	Abstain
1(a) Re-election of director – Mr Simon McKeon AO	Ordinary	1,576,501,103	21,676,522	4,535,287	4,926,960	2,338,409	42,674,024	3,752,506	1,345,910
1(b) Re-election of director – Ms Ann Sherry AO	Ordinary	1,594,873,258	3,286,074	4,574,155	4,926,960	2,317,834	42,566,460	3,995,229	1,179,279
1(c) Election of director – Ms Christine Fellowes	Ordinary	1,596,819,176	1,175,647	4,629,302	4,931,643	2,422,513	42,103,569	4,297,553	1,341,650
1(d) Election of director – Ms Carolyn Kay	Ordinary	1,596,882,767	1,194,288	4,616,535	4,931,643	2,353,048	42,265,521	4,104,642	1,372,609
1(e) Election of director - Ms Alison Kitchen	Ordinary	1,596,657,718	1,387,421	4,650,432	4,931,210	2,351,500	42,210,033	4,079,627	1,453,112
1(f) Election of Mr Stephen Mayne as a director who offers himself for election	Ordinary	14,043,970	1,583,743,627	4,612,565	4,838,654	2,739,916	6,504,738	39,758,325	1,488,361
2 Remuneration Report	Ordinary	1,578,237,750	17,338,531	4,660,668	4,784,901	4,937,129	36,462,744	10,177,283	1,018,204
3(a) Grant of Deferred Rights - Group Chief Executive Officer	Ordinary	1,590,589,307	6,675,155	4,511,933	4,722,224	3,463,405	34,633,690	11,990,805	1,139,634
3(b) Grant of Performance Rights - Group Chief Executive Officer	Ordinary	1,575,999,405	20,243,141	4,575,411	4,723,820	4,427,542	34,845,485	11,821,451	1,083,285
5(a) Amendment to the Constitution	Special	79,277,793	1,451,660,757	4,562,076	4,854,674	69,623,432	4,134,711	41,883,320	1,788,022
5(b) Transition Plan Assessments	Ordinary	465,673,316	1,130,641,771	4,582,209	4,863,945	4,217,400	3,979,709	41,898,800	1,885,311