

Monday, 18 August 2025

ASX Announcement

Payroll remediation program to impact FY25 operating expenses

National Australia Bank (NAB) has announced its FY25 third quarter trading update including updated guidance on FY25 operating expenses now expected to be approximately 4.5% higher than FY24¹. This reflects costs of approximately \$130 million expected to be incurred in FY25 related to the review and remediation of payroll issues². NAB's payroll review and remediation is ongoing and total costs remain uncertain.

NAB has been investing in improving colleague systems, processes and support including ongoing investment in a new human resources and payroll platform. This follows a payroll review which commenced in 2019 with costs of \$250 million incurred between FY20 and FY22.

This ongoing review and investment and the work undertaken to transition to a new Enterprise Agreement 2024 has helped identify further payroll issues. As a result, NAB has initiated a broader review into payroll-related benefits under current and certain historical agreements.

NAB Group Executive People and Culture, Sarah White said: "Paying our colleagues correctly is an absolute priority. We are sorry and apologise to our colleagues that this has happened and have commenced remediating those impacted."

A dedicated team is continuing to investigate and resolve issues, remediate colleagues and ensure sustained future compliance.

NAB has engaged the Fair Work Ombudsman and the Finance Sector Union and is keeping our NAB colleagues informed, including contacting those directly affected.

For further information:

Media

Jo Beckwith
M: +61 (0) 411 208 101

Investor Relations

Sally Mihell
M: +61 (0) 436 857 669

Natalie Coombe
M: +61 (0) 477 327 540

The release of this announcement was authorised by NAB's Disclosure Committee.

¹ Previous guidance was for FY25 operating expenses to be less than 4.5% higher than FY24 excluding any large notable items.

² Costs incurred in FY25 include \$43 million incurred in 1H25.