Half Year Results Summary

2025

©2025 National Australia Bank Limited ABN 12 004 044 937 AFSL and Australian Credit Licence 230686, 7 May 2025.

For personal use only

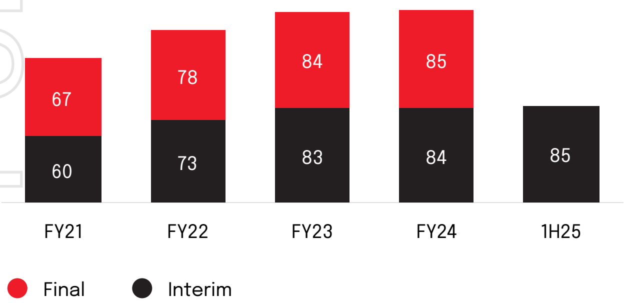
1H25 KEY FINANCIAL INFORMATION

$3,407m Statutory net profit	**$3,583m** Cash earnings[(i)] Up 0.8% v 2H24 Up 1.0% v 1H24
11.7% Cash ROE	**12.01%** Group Common Equity Tier 1 (CET1) ratio

(i) Refer to the cash earnings note and reconciliation on page 6.

Dividends

Cents per share (fully franked)
In respect of each financial year / period



"We are managing our business well in continued challenging operating conditions. Cash earnings were 0.8% higher than 2H24, with underlying profit growth and lower credit impairment charges partially offset by a higher effective tax rate.

Execution of our refreshed strategy is underway. We are focused on driving much stronger customer advocacy across our Bank, along with greater speed and simplicity, and ongoing modernisation of our technology. This will support our key priorities of continuing to drive performance in deposits, improving proprietary lending, and growing business banking. We are making good progress. Home lending drawdowns via our proprietary channels increased 25%[(1)], retail transaction account openings via our branches are 32% higher[(2)], we have grown our share of SME business lending[(3)] and initiatives underway to address specific customer pain points are driving a strong lift in customer advocacy in these areas.

We are optimistic about the underlying growth outlook for the Australian and New Zealand economies. However, escalating global trade tensions are a key source of uncertainty. Against this backdrop, we have maintained strong balance sheet settings. Collective provisions represent 1.42% of credit risk weighted assets, our CET1 ratio sits at 12.01% and our FY25 term funding task is well progressed with over $20 billion raised in 1H25.

Our Bank is in good shape and we have a clear strategy. We are well placed to manage our business for the long term and deliver sustainable growth and attractive returns for shareholders."

- Andrew Irvine NAB CEO

Supporting our customers and communities

- Helping property managers save time with simple and easy automated rental payment reconciliations as part of a new integration between NAB's Portal Pay and MRI's Property Tree platform - a platform used by more than 29,000 property management professionals.
- Providing simple, secure payment experiences for customers and merchants, with the launch of "PayTo' by NAB allowing Amazon.com.au customers to make a purchase directly from their bank account in a seamless, secure way, removing the need to provide card details.
- Improving the convenience and quality of banking services including $41 million invested in branch renovations and installation of 39 ATMs in branches over the 12 months to March 2025, along with Saturday branch openings in 31 busy locations and a moratorium on regional branch closures until at least July 2027.
- Helping communities better prepare for and recover from natural disasters with NAB Foundation boosting its funding for Disaster Relief Australia's volunteering program by $4 million over the next three years.

(1) Refers to proprietary home lending drawdowns in Personal Banking and Business & Private Banking divisions 1H25 compared with 1H24.
(2) 1H25 compared with 1H24.
(3) Derived from latest RBA statistics excluding financial businesses. Latest data as at February 2025 compared with September 2024. NAB SME market share includes business lending relating to both B&PB and some C&IB customers.

For personal use only

The March 2025 half year results are compared with the September 2024 half year results for continuing operations unless otherwise stated. Operating performance and Asset quality are expressed on a cash earnings basis.

Operating performance 1H25 v 2H24

- Revenue increased by 1.7% reflecting higher Markets and Treasury (M&T) income. Excluding M&T, revenue was 1.1% lower with key drivers including lower margin partially offset by volume growth.
- Gross loans and advances (GLAs) increased by 2.5% and deposits rose 4.1%.
- Net Interest Margin (NIM) was stable at 1.70%. Excluding a 3 bps increase from M&T, NIM declined 3 bps as a result of deposit impacts, higher wholesale funding costs and lending competition, partially offset by higher earnings from deposit and capital replicating portfolios.
- Expenses increased by 1.4% mainly reflecting higher personnel and financial crime-related costs, along with increased technology spend. These impacts have been partially offset by productivity benefits and lower costs relating to the Group's Enforceable Undertaking with AUSTRAC.

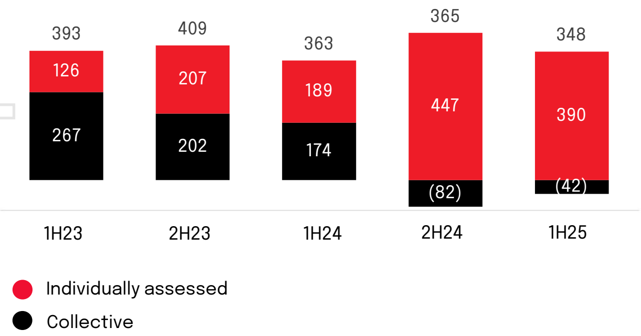
1H25 v 2H24 drivers of cash earnings change (%)

Underlying profit growth of 1.9% has benefitted from improved M&T income and disciplined cost management including productivity benefits of $131 million. For FY25 we continue to target productivity benefits of greater than $400 million and expect cost growth to be less than FY24 growth of 4.5%(1).

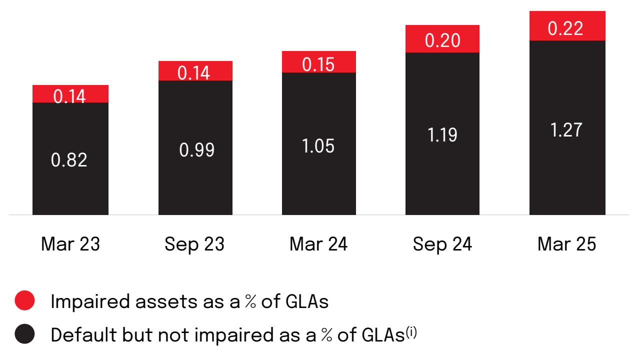
Asset quality 1H25 v 2H24

- Credit impairment charge (CIC) was $348 million, versus a 2H24 charge of $365 million. The 1H25 individually assessed charge of $390 million mainly reflects charges for the Australian business lending and unsecured retail portfolios. The 1H25 collective write-back of $42 million reflects a release from forward-looking provisions of $194 million partially offset by underlying charges of $152 million primarily driven by asset quality deterioration and volume growth.
- The $194 million release from forward-looking provisions reflects anticipated asset quality deterioration transitioning from the forward outlook to the current period combined with a net release of $30 million from provisions for target sector forward-looking adjustments primarily relating to New Zealand agriculture.
- The ratio of non-performing exposures as a percentage of gross loans and acceptances increased 10 bps to 1.49% driven mainly by the Business & Private Banking (B&PB) business lending portfolio and, to a lesser extent, higher Australian home lending arrears.

Credit impairment charge ($m)



Non-performing exposures / gross loans and acceptances (%)



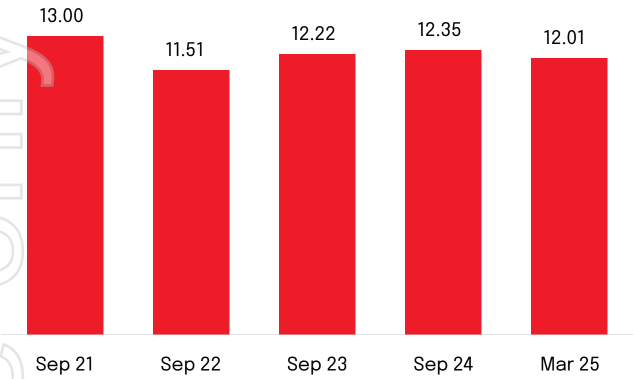
(i) Default but not impaired includes loans that have been classified as restructured in accordance with APS 220 *Credit Risk Management* which are assessed as no loss based on security held.

While the underlying outlook for the Australian and New Zealand economies is improving, elevated global trade tensions are a key source of uncertainty and downside risk. As such, we have maintained a prudent approach to provisioning with collective provisions representing 1.42% of credit risk weighted assets (CRWA) and total provisions representing 1.67% of CRWA.

(1) Refer to key risks, qualifications and assumptions in relation to forward-looking statements on page 7. FY25 guidance excluding any large notable items.

Capital, funding and liquidity

Group CET1 ratio[(i)] (%)



(i) CET1 capital ratio on a Level 2 basis. From 1 January 2023 ratios are reported under APRA's revised capital framework.

Key ratios as at 31 March 2025

- Group CET1 ratio of 12.01%, down 34 bps from September 2024. Key drivers of the reduction include CRWA growth of $9.6 billion (-22 bps) and completion of the Group's on-market share buy-back (-15 bps)[(1)].
- Proforma CET1 ratio of 12.13% reflecting the sale of the Group's remaining 20% stake in MLC Life[(2)].
- Leverage ratio of 5.02%.
- Liquidity Coverage Ratio (LCR) quarterly average of 139%.
- Net Stable Funding Ratio (NSFR) of 119%.

Key divisional performance - Cash earnings

	1H25 ($m)	% change 1H25 v 2H24	Key drivers 1H25 v 2H24
Business and Private Banking	1,634	1.4	Earnings increased with lower credit impairment charges offsetting a decline in underlying profit. Revenue reduced modestly with lower margins offsetting volume growth. Expenses were slightly higher including continued investments to support business growth.
Personal Banking	576	(6.8)	Lower earnings reflecting a decline in underlying profit and higher credit impairment charges. Revenue was slightly weaker with lower margins offsetting volume growth. Expenses were broadly flat as investment in proprietary lenders and frontline bankers along with other uplifts were offset by productivity benefits.
Corporate and Institutional Banking	909	4.1	Higher earnings reflecting revenue growth and lower expenses, partially offset by higher credit impairment charges. Revenue growth benefitted from strong volume growth and higher Markets income partially offset by slightly lower margins (ex Markets).
New Zealand Banking (NZ $m)	781	12.5	Strong earnings growth driven by a credit impairment write-back and slightly higher underlying profit. Revenue growth benefitted from volume growth and higher M&T income partially offset by modestly lower margins (ex M&T).

(1) The Group completed its $3.0 billion announced on-market ordinary share buy-back on 12 March 2025, resulting in the buy-back and cancellation of 87.8 million ordinary shares. $0.6 billion of those shares were bought-back in the March 2025 half year.

(2) On 11 December 2024 the Group announced it had entered into an agreement to sell its remaining 20% stake in MLC Limited (MLC Life) to Nippon Life Insurance Company for $500 million. The proposed sale is subject to satisfaction of certain conditions including completion of the acquisition of the Resolution Life Group by Nippon Life Insurance Company, and regulatory approvals. The proposed sale is expected to complete in the second half of calendar year 2025.

For personal use only

Our strategic ambition

Why we are here

To be the most customer-centric company in Australia and New Zealand

Who we are here for

Customers
Customers who trust us and choose us to be their bank

Colleagues
Customer-obsessed colleagues who are proud to work at NAB

Who we are

We are customer obsessed

We keep it simple

We move with speed

We own it

We win together

What we will be known for

Relationship led
1. Exceptional bankers
2. Unrivalled customer service
3. Personalised and proactive

Exceptional experiences
1. Brilliant at the basics
2. Trusted in moments that matter
3. Simple, fast and easy to deal with

Safe and sustainable
1. Strong balance sheet and proactive risk management
2. Secure, simplified and resilient technology
3. Long term and sustainable approach

Where we will grow

Business & Private
Clear market leader

Corporate & Institutional
Disciplined growth

Personal
Deepen customer relationships

BNZ
Personal & SME

ubank
Customer acquisition

What we will deliver

Leading customer advocacy

Winning in market

Customer-obsessed colleagues

Simple, fast, resilient

Strong returns

Economic outlook(1)

In Australia, economic growth picked-up in the second half of 2024 driven by a rebound in household consumption growth, which slowed sharply in the second half of 2023 and into 2024. Slowing inflation, tax cuts and reductions in the RBA cash rate are expected to support further improvements in household real incomes. This sees real GDP growth forecast to rise from 1-1.5% over 2023 and 2024 to around 2% over 2025, and continued resilience in the labour market with the unemployment rate expected to peak around 4.4% by the end of 2025. Recent heightened global trade tensions present the key risk to this outlook. While outcomes remain highly uncertain, the sound starting position of the Australian economy provides scope for a more stimulatory monetary policy response to support the recovery against potential headwinds, with the cash rate now forecast to decline from 4.1% currently to 2.6% by February 2026.

New Zealand's economy is in the early stages of recovery from a recession, supported by easing monetary policy and stronger export revenue. The cash rate has fallen 200 bps since August 2024 as inflation has moderated, with a further 75 bps of cuts forecast by the end of 2025. This is expected to see real GDP growth mildly positive in 2025 after contracting in 2024, and a modest further increase in the unemployment rate during 2025. However, escalating global trade tensions pose downside risks to this outlook. While outcomes remain highly uncertain at this stage, including potential impacts on global supply chains and inflation, New Zealand's current reliance on exports and the fragile starting point for its economy mean the impact could be significant, especially if heightened uncertainty curbs investment.

(1) References to years relate to calendar years. References to growth over a year relate to December quarter versus December quarter of previous year.

For personal use only

Strategic overview

We have maintained a long term approach to managing our business and are executing against our refreshed strategy. We are focused on driving much stronger customer advocacy across our Bank, along with greater speed and simplicity, and ongoing technology modernisation. This is expected to support our key priorities of continuing to drive performance in deposits, improving proprietary lending, and growing business banking.

In B&PB, we are investing in simpler, more seamless banking experiences for our customers and our bankers, consistent with our relationship-based approach, increasingly enabled by digital, data and analytics. In 1H25 this includes further progressing the roll-out of our digital business lending platform, ongoing innovations in payments, and improving the customer onboarding experience for business transaction accounts. B&PB's business lending balances rose 1.9% over the six months to March 2025 with softer Agri sector growth given a strong harvest season and well diversified growth across the balance of the portfolio. Pleasingly, we have grown market share in SME business lending[1]. Deposit balances rose 5.1% over the six months to March 2025, and 1H25 new business transaction account openings increased compared with 1H24 and are now 25% higher than 1H22.

In Personal Banking (PB), we continue to navigate a challenging home lending market through a disciplined approach and by focusing on improving the performance of our proprietary channels. Over the six months to March 2025, our momentum in Australian home lending improved, with balances growing 2.3% representing a system multiple of 0.9x[2] (versus 0.3x in 2H24). Proprietary channel drawdowns also increased over the same period, with the uplifting of banker capabilities through the onboarding of approximately 150 new proprietary home lenders during 1H25 expected to support further improved performance in future periods. Retail deposit performance has also been encouraging in 1H25, benefiting from investments to reinvigorate our branch network. This has supported good PB deposit balance growth of 4.8% over the six months to March 2025, along with a 32% lift in branch originated sales and a 9% increase in transaction account openings in 1H25 compared with 1H24.

Corporate and Institutional Banking (C&IB) has maintained its returns-focused strategy. A disciplined approach to growth focused on long-term relationship with target sector clients, combined with simplification, technology enabled solutions to make doing business easier and leveraging transactional banking capability has driven continued strong performance in 1H25. This includes further transactional banking mandate wins, lending growth of 5.2% over the six months to March 2025 and a continued attractive return on equity of 15.6%.

New Zealand Banking is making good progress against its strategic priorities of becoming a simpler, more digitally-enabled bank, focused on growth in personal and business sectors. Despite continued challenging conditions, execution of this strategy has supported improved customer Net Promoter Score (NPS) outcomes, above system growth in target sectors and higher returns over the six months to March 2025.

Having a healthy customer franchise and engaged colleagues underpin our ability to grow sustainably. Improving customer and colleague experiences are key to this. Our most recent colleague engagement score of 78 is one point higher compared with 12 months ago and slightly above the top quartile global benchmark[3]. Customer NPS[4] outcomes have remained mixed over the 12 months to March 2025. Business NPS increased seven points with NAB's ranking improving from third to second of the major banks. Over the same period, Mass Consumer NPS improved one point with NAB continuing to rank second of the major banks. However, High Net Worth and Mass Affluent NPS declined 10 points with NAB's ranking slipping from first to fourth of the major banks. Delivering more consistent service experiences to all NAB customers is a priority and we clearly have work to do if we are to achieve our aspiration of being the most customer centric company in Australia and New Zealand.

We have maintained strong balance sheet settings during 1H25. Collective provisions as a ratio of CRWA were 1.42% and include $1.7 billion of forward-looking provisions for potential downside risk in the outlook. The share of lending funded by deposits remained above 80% and liquidity and funding ratios sit well above regulatory minimums. Our Group CET1 ratio declined 34 basis points to 12.01% over the six months to March 2025 with key drivers including volume growth and completion of our on-market share buy-back. However, it remains comfortably above our revised Group CET1 ratio operating target, which has increased by 25 bps to greater than 11.25%, reflecting APRA's decision to phase out AT1 capital from January 2027[5]. After allowing for finalisation of the sale of our remaining stake in MLC Life[6], the proforma CET1 ratio is 12.13%.

While challenges remain in our operating environment and recent global trade tensions have increased uncertainty in the outlook, we are well placed to navigate this situation. Our balance sheet settings are strong and we have a clear strategy to deliver sustainable growth and attractive returns over time, underpinned by consistent investment to significantly uplift customer advocacy, speed and simplicity across our Bank. We remain focused on managing our business for the long term.

For personal use only

(1) Derived from latest RBA statistics excluding financial businesses. Latest data as at February 2025 compared with September 2024. NAB SME market share includes business lending relating to both B&PB and some C&IB customers.
(2) APRA Monthly Authorised Deposit-taking Institution statistics. Latest data as at March 2025.
(3) Engagement scores refer to Glint 'Heartbeat' outcomes. Top quartile comparison is based on Glint's client group (domestic and global, from all industries).
(4) Net Promoter® and NPS® are registered trademarks of Bain & Company, Inc., NICE Systems, Inc., and Fred Reichheld. Net Promoter Score℠ is a service mark of Bain & Company, Inc., NICE Systems, Inc., and Fred Reichheld. Sourced from RFI Global - Atlas, measured on 6 month rolling average to March 2025. Mass Consumer: based on all consumers, 18+ and excludes HNW&MA customers. HNW&MA: based on all consumers, 18+ with personal income of $260k+ and/or investible assets $2.5m+ and/or footings of over $850k. Business Strategic NPS is based on all businesses. Ranking based on absolute scores, not statistically significant differences.
(5) Under APRA's approach, large, internationally active banks including NAB will replace 1.5% Additional Tier 1 (AT1) capital with 0.25% Common Equity Tier 1 (CET1) capital and 1.25% Tier 2 capital.
(6) On 11 December 2024 the Group announced it had entered into an agreement to sell its remaining 20% stake in MLC Limited (MLC Life) to Nippon Life Insurance Company for $500 million. The proposed sale is subject to satisfaction of certain conditions including completion of the acquisition of the Resolution Life Group by Nippon Life Insurance Company, and regulatory approvals. The proposed sale is expected to complete in the second half of calendar year 2025.

For personal use only

Group performance results

Cash earnings is a non-IFRS key financial performance measure used by NAB and the investment community. NAB also uses cash earnings for its internal management reporting as it better reflects what NAB considers to be the underlying performance of the Group. Cash earnings is not a statutory financial measure, is not presented in accordance with Australian Accounting Standards, and is not audited or reviewed in accordance with Australian Auditing Standards. The 2025 Half Year Results provides details of how cash earnings is defined on page 10 and a discussion of non-cash earnings items and full reconciliation of statutory net profit attributable to owners of the Company on pages 97 to 98.

	Half Year to				
	Mar 25 $m	Sep 24 $m	Mar 24 $m	Mar 25 v Sep 24 %	Mar 25 v Mar 24 %
Net interest income	**8,445**	8,357	8,397	1.1	0.6
Other operating income	**1,836**	1,755	1,741	4.6	5.5
Net operating income	**10,281**	10,112	10,138	1.7	1.4
Operating expenses	**(4,818)**	(4,750)	(4,677)	1.4	3.0
Underlying profit	**5,463**	5,362	5,461	1.9	-
Credit impairment charge	**(348)**	(365)	(363)	(4.7)	(4.1)
Cash earnings before income tax	**5,115**	4,997	5,098	2.4	0.3
Income tax expense	**(1,512)**	(1,434)	(1,541)	5.4	(1.9)
Cash earnings before non-controlling interests	**3,603**	3,563	3,557	1.1	1.3
Less: Non-controlling interests	**(20)**	(9)	(9)	large	large
Cash earnings	**3,583**	3,554	3,548	0.8	1.0
Non-cash earnings items (after tax)	**(152)**	(35)	(4)	large	large
Net profit attributable to owners of the Company from continuing operations	**3,431**	3,519	3,544	(2.5)	(3.2)
Net loss attributable to owners of the Company from discontinued operations	**(24)**	(53)	(50)	(54.7)	(52.0)
Net profit attributable to owners of the Company	**3,407**	3,466	3,494	(1.7)	(2.5)
Cash earnings / (loss) by division:					
Business and Private Banking	**1,634**	1,611	1,646	1.4	(0.7)
Personal Banking	**576**	618	556	(6.8)	3.6
Corporate and Institutional Banking	**909**	873	899	4.1	1.1
New Zealand Banking	**707**	636	697	11.2	1.4
Corporate Functions and Other	**(243)**	(184)	(250)	32.1	(2.8)
Cash earnings	**3,583**	3,554	3,548	0.8	1.0

Shareholder summary

	Half Year to				
	Mar 25	Sep 24	Mar 24	Mar 25 v Sep 24	Mar 25 v Mar 24
Group - Including discontinued operations					
Dividend per share (cents)	**85**	85	84	-	1
Statutory dividend payout ratio	**76.4%**	75.6%	74.9%	80 bps	150 bps
Statutory earnings per share - basic (cents)	**111.2**	112.4	112.2	(1.2)	(1.0)
Statutory earnings per share - diluted (cents)	**109.2**	111.4	110.4	(2.2)	(1.2)
Statutory return on equity	**11.1%**	11.3%	11.5%	(20 bps)	(40 bps)
Net tangible assets per ordinary share ($)	**18.55**	18.29	18.16	1.4%	2.1%
Group - Continuing operations					
Cash dividend payout ratio	**72.7%**	73.8%	73.7%	(110 bps)	(100 bps)
Statutory dividend payout ratio from continuing operations	**75.9%**	74.5%	73.8%	140 bps	210 bps
Statutory earnings per share from continuing operations - basic (cents)	**112.0**	114.1	113.8	(2.1)	(1.8)
Statutory earnings per share from continuing operations - diluted (cents)	**109.9**	113.0	111.9	(3.1)	(2.0)
Cash earnings per share - basic (cents)	**116.9**	115.2	114.0	1.7	2.9
Cash earnings per share - diluted (cents)	**114.5**	114.1	112.0	0.4	2.5
Cash return on equity	**11.7%**	11.6%	11.7%	10 bps	-

For personal use only

For further information

Media
Mark Alexander
M: +61 (0) 412 171 447

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

This Results Summary has been authorised for release by the Board.

Disclaimer - Forward-looking statements

This Results Summary and the 2025 Half Year Results contain statements that are, or may be deemed to be, forward-looking statements. These forward-looking statements may be identified by the use of forward-looking terminology, including the terms "ambition", "believe", "estimate", "plan", "project", "anticipate", "expect", "goal", "target", "intend", "likely", "may", "will", "could" or "should" or, in each case, their negative or other variations or other similar expressions, or by discussions of strategy, plans, objectives, targets, goals, future events or intentions. Indications of, and guidance on, future earnings and financial position and performance are also forward-looking statements. Users are cautioned not to place undue reliance on such forward-looking statements. Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors, many of which are beyond the control of the Group, which may cause actual results to differ materially from those expressed or implied in such statements. There can be no assurance that actual outcomes will not differ materially from these statements.

There are many factors that could cause actual results to differ materially from those projected in such statements, including (without limitation) a significant change in the Group's financial performance or operating environment; a material change to law or regulation or changes to regulatory policy or interpretation; and risks and uncertainties associated with the ongoing impacts of the Russia-Ukraine and Middle Eastern conflicts and other geopolitical tensions, the Australian and global economic environment and capital market conditions and changes in global trade policies. Further information is contained in the Group's Half Year 2025 Risk Factor Report released to ASX on 7 May 2025 and the Group's Annual Report for the 2024 financial year, available at nab.com.au/annualreports.