



**Building growth momentum
with technology transformation**



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Organisation Structure

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Executive Profile (Summary)

Company Name	:	National Australia Bank	
Headquarters	:	Melbourne, Australia	
Operating Income	:	USD 12.56bn (AUD 16.73bn)	▼ 2.38%
Profit Before Tax	:	USD 6.81bn (AUD 9.07bn)	▲ 75.63%
Assets	:	USD 694.94bn (AUD 925.97bn)	▲ 6.85%
Employees	:	32000+	
Countries	:	10	
Branches	:	740+	
ICT Spend	:	USD 542.38mn (AUD 722.69mn)	

*All information provided is for FY2021

**All currency value are in Australian Dollars unless otherwise mentioned

Strategies

Customers

Deliver a great customer experience and grow customer advocacy

Colleagues

Lead cultural change through energy, positivity and simplicity

Safe Growth

Deliver with focus and discipline on the new group strategy

Financials

Deliver attractive returns, safe growth and financial plan

Achievements and recognitions

Ranked 4th globally among financial peers

-Corporate Knights Global 100 Index

Ranked 14th globally and was top-rated in the Australian financial sector

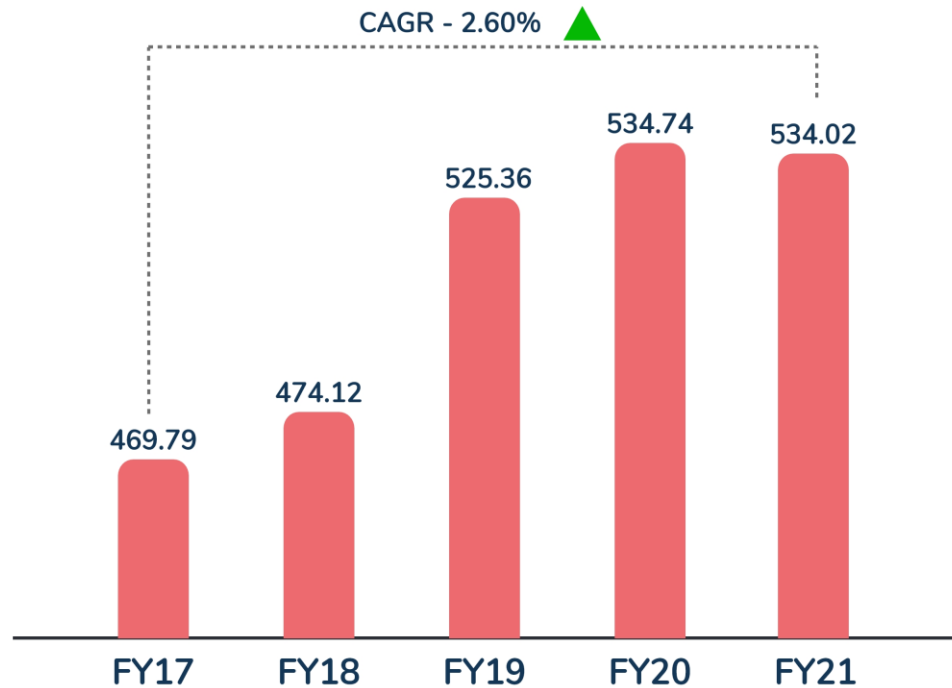
-Equileap Gender Equality

Ranked among the top 12 global banking industry lenders

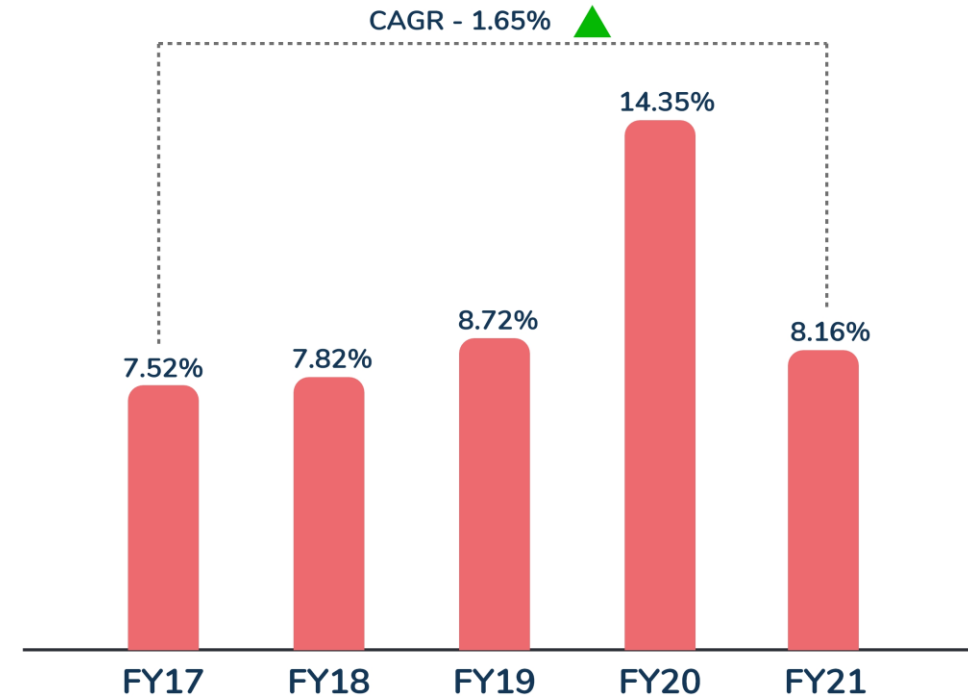
-Dow Jones Sustainability Index (DJSI)

A continuous momentum of ICT spend from last 3 years

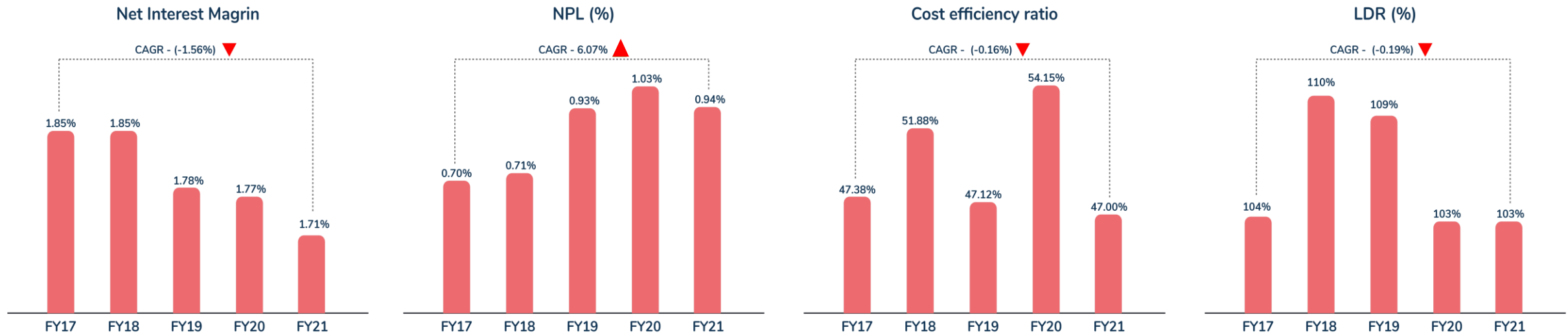
ICT Spend (USD million)



ICT Spend to operating revenue

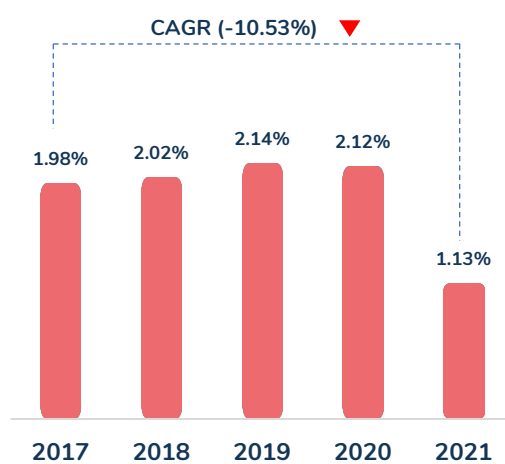


Operational efficiency for NAB has taken a downward hit

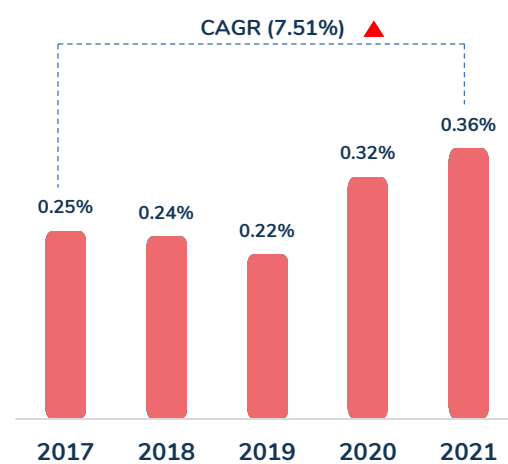


Operational efficiency performance of peer banks in Australia

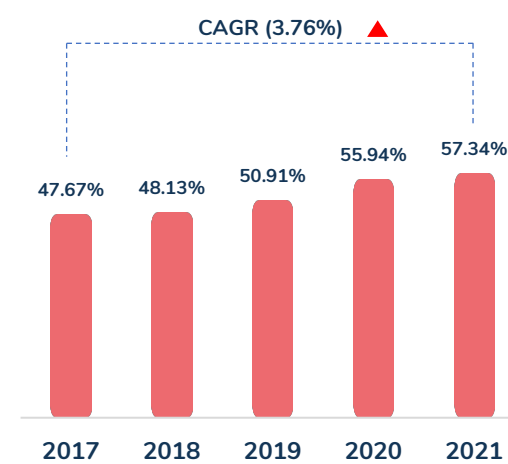
Net Interest Margin (%)



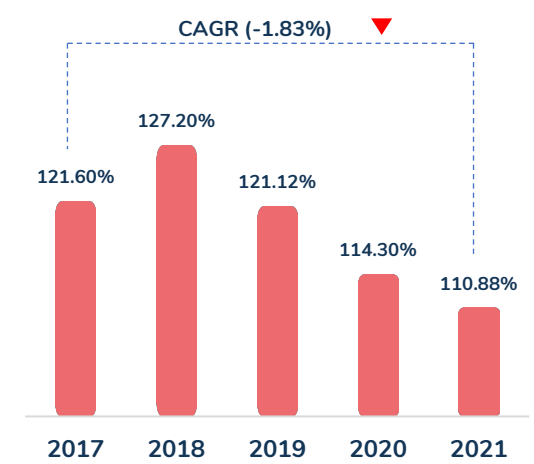
NPL Ratio (%)



Cost Efficiency Ratio (%)

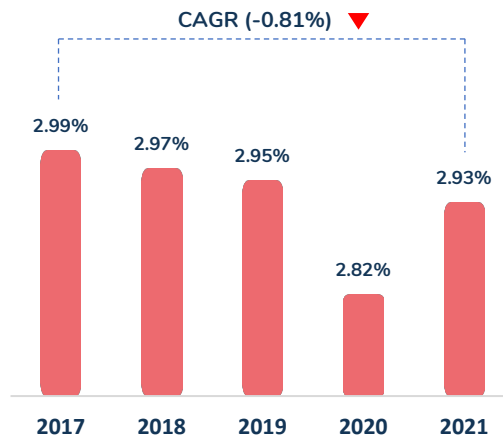


LDR (%)

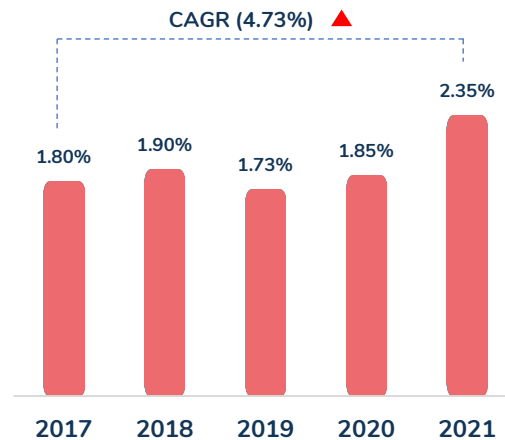


Asia Pacific operational efficiency performance

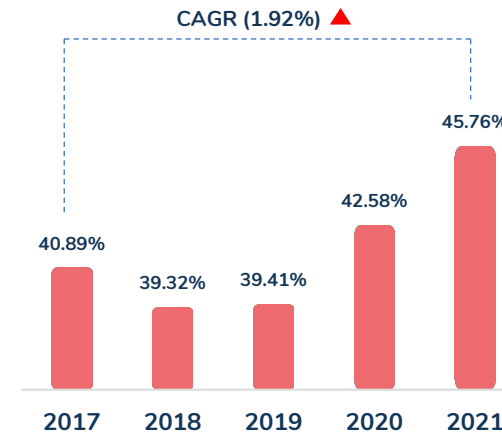
Net Interest Margin (%)



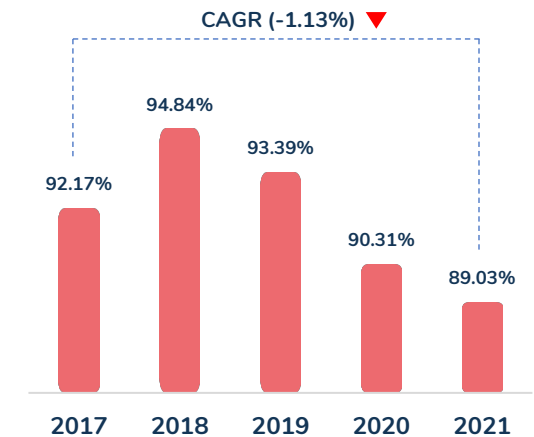
NPL Ratio (%)



Cost Efficiency Ratio (%)



LDR (%)

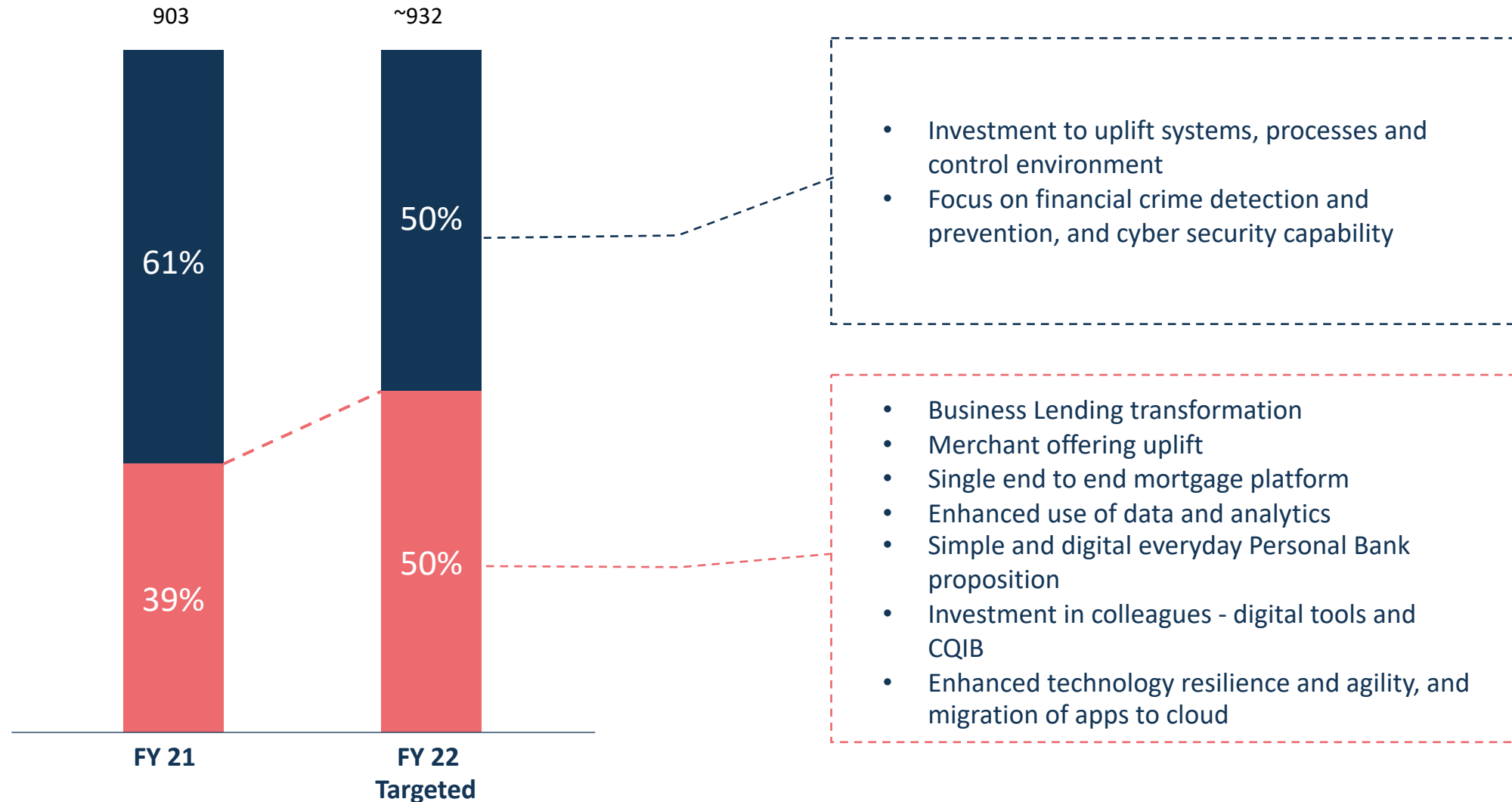


Growth drivers in 2021

Driving growth through better customer and colleague experiences		
Transforming small business lending	<ul style="list-style-type: none"> ✓ Simplified small business lending with fast tracked assessment, digitally captured self declared income, conditional approval in 24-48 hours ✓ New Quickbiz offering³ to enable cash disbursement within 20 mins 	<p>Small business lending GLA change (\$bn)</p> <p>Market share</p> <p>1H21: -0.3, 15.4%</p> <p>2H21: 0.4, 15.8%</p>
Digital transaction account opening²	<ul style="list-style-type: none"> ✓ Straight-through processing enabling real-time onboarding ✓ Electronic ID verification and automated KYC decisioning ✓ Multi product origination 	
Industry-leading relationship bankers enabled by Data & Analytics	<ul style="list-style-type: none"> ✓ New facility renewal & annual review process: faster assessment based on behavioural drivers ✓ Personalised customer leads: advanced analytics propensity models help identify opportunities for bankers to better meet customer needs 	
Leveraging our High Net Worth proposition	<ul style="list-style-type: none"> ✓ New integrated HNW offering, 2.3x HL system growth in 2H21 ✓ 50 new Private Bankers, dedicated credit team and tailored policies, improving turnaround times ✓ Improved digital: new nabtrade app, JBWere website refresh and new client portal 	

Source: NAB Investor Presentation 2021

NAB Investment outlook' 22



(USD Mn)



Discretionary investment spend



Other investment spend

Source: NAB investor presentation

4 Growth Opportunities for NAB

Redefining home lending experiences

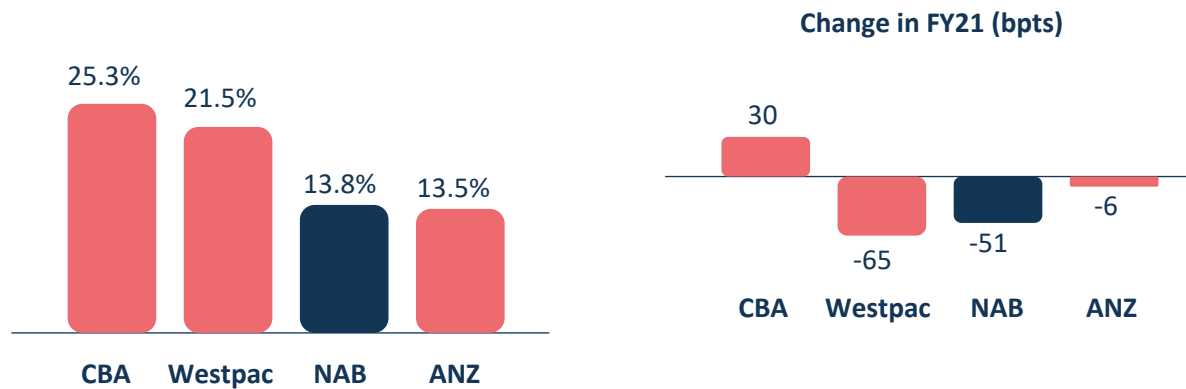
Reducing the IT complexity

Winning the market with digital-first proposition

Maximising value with data analytics

Redefining home lending experiences

Home lending market share



Initiatives to improve home lending experience

- Simple Home Loan application tool to manage end-to-end home loan customer journey
- 80% home loan modifications via app including self-service modifications
- 50% home loan appointment bookings through app
- >40% home loan appointments through video channels
- 30% applications processed within an hour

Opportunities to scale

- Journey led mapping for specific customer segments
 - Professionals
 - Farmers
 - Young executives
 - Home-makers
 - HNI
- Integrations with real-estate marketplaces
- Personalised insights on loan modifications, price readjustments, and benefits management

Winning the market with digital-first proposition



nab



CommonwealthBank



Westpac

Digital transactions

65%

70%

49%

45%

Digital active users

7.5 Mn

7.6 Mn

3.7 Mn

5.2 Mn

NPS

-7

0.8

-4.3

-3.3

Digital app interfaces

NAB app
86 400
U BankCommBank
appANZ app
ANZ + app

Westpac

of TPP integrations

~10

~6

NA

~20

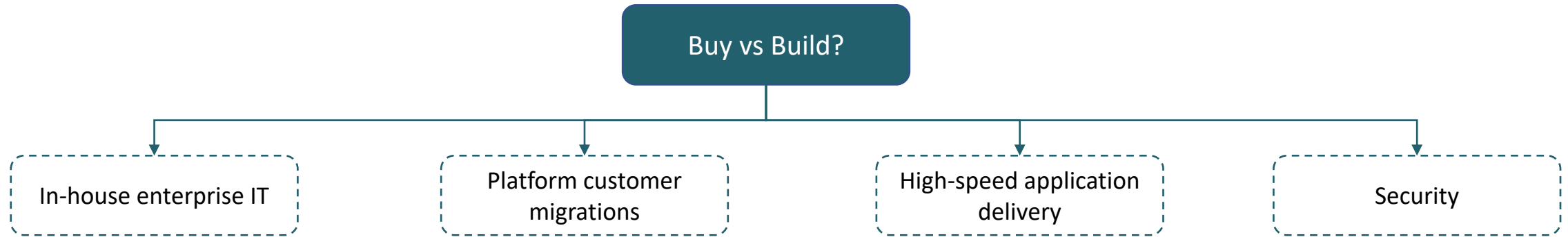
Digital app interface engagement

- Revamping existing mobile app with intuitive tools
- Retail customer acquisition through investments
- Launch of new brand for tech-savvy customers
- Value-add support
 - Rental management
 - Bill prediction analytics
 - Family finance management

Digital customer efficiency

- Customer interactions through voice chat assistants
- Customer resolution management
- Real-time dashboards
- Integrated customer authentication systems

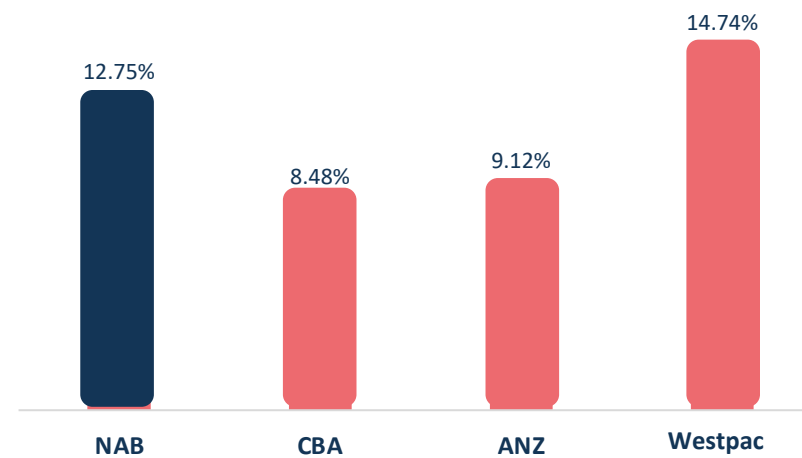
Reducing the IT complexity



ICT spend (USD Bn)



ICT spend to operating revenue(%)



Maximising value of data with analytics

Initiatives taken by NAB

- 80% of customer service interactions are conducted with personalised information
- Optimised the customer support system by increasing virtual chats resulting to only 15% of chat sessions transferred to contact centres
- 'Spending' tool integrated with internet banking to determine spend categories and manage budgets in real time
- Third-party tool for behavioral biometrics to manage identity authentication and fraud detection

Priority use-cases for data analytics

- Voice analytics and compliance
- Customer complaints
- Credit decisioning
- Financial difficulty support
- Fraud and insider crime detection
- Customer retention

Learn from peers

Innovations



Creating bank ecosystems



Personalised products and offerings



Intelligent customer support



Gamification



Branch experiences

What can NAB learn?

Westpac rolled out a digital BaaS platform and signed on with buy-now-pay-later firm Afterpay and SocietyOne to extend the product offering to their customers

UOB Mighty provides personalised insights by analysing banking and spending patterns

ICICI propelled an industry-first initiative with its online real-time dispute resolution using data science and 0 human interaction

City of TMRW by TMRW bank allows customers to build a virtual city and get tips to manage their finances from the bank

DBS has a café and branch concept with an open layout café at the entrance

Overview

Banking footprint

- NAB primarily serves the Australian and New Zealand markets with a network of more than 740 branches and business banking centers
- Presence in 10 countries including 3 ASEAN countries – namely, Singapore, Indonesia and Vietnam
- The bank also serves other countries, including China, India, Japan, the United Kingdom and the United States of America

Financials

- Fourth largest bank in Australia with total assets of AUD 925.97 billion
- Achieved the highest even profit in 2021 driven by:
 - 54% decrease in interest expense by AUD 4.99 billion
 - 14.7% decrease in operating expenses by AUD 1.36 billion

Business segments and beneficiaries

Business and Private Banking

Offers banking services to the agriculture, health, government, education and community services sector

Personal Banking

Offers retail banking services such as home loans, personal finances through deposit, credit and personal loan facilities

Corporate and Institutional Banking

Offers a range of products and services including client coverage, corporate finance, asset servicing, transactional banking and enterprise payments

New Zealand Banking

Offers products and services across customer segments in New Zealand

Corporate Functions and other divisions

Includes Ubank, 86 400 and other enabling units that support all businesses

**MSME business
segments**

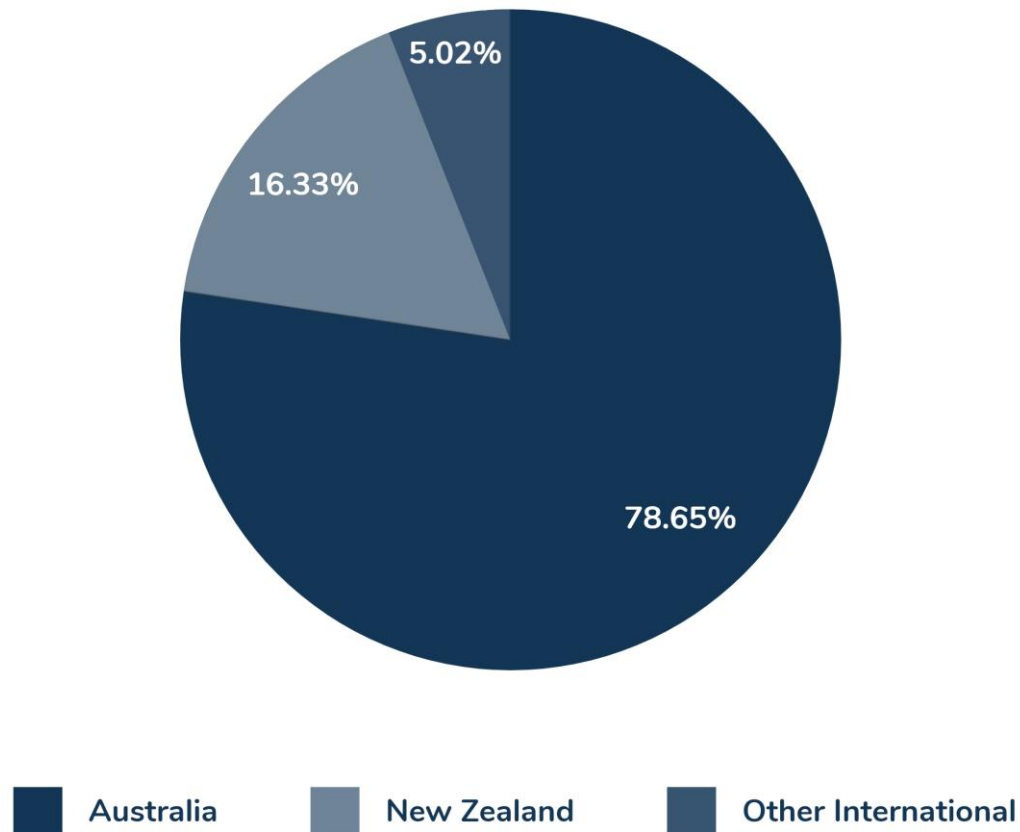
**Retail customers and
individuals**

**Large corporations and
institutions**

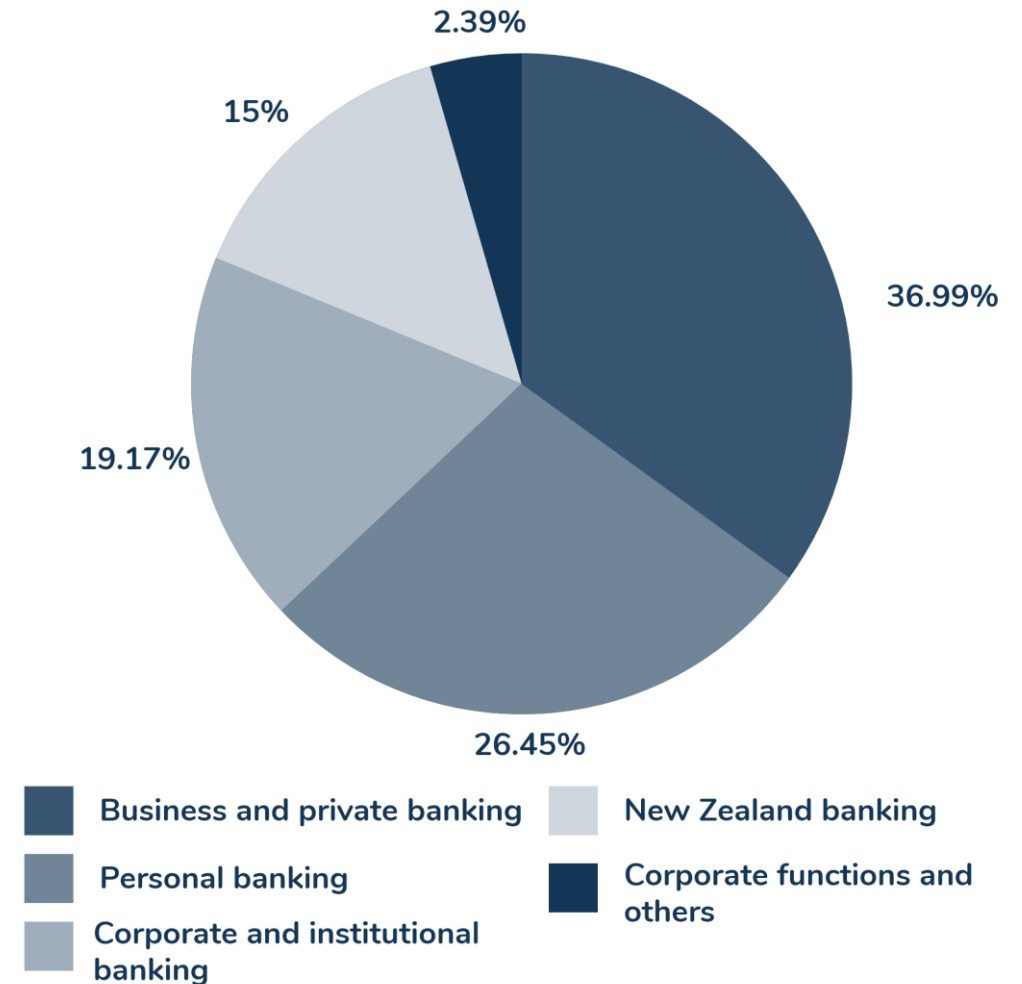
**All customers in New
Zealand**

Breakdown of group operating income

By Geographical Location, %,FY2021



By Business Segments, %,FY2021



Market leadership and disciplined growth

Business and private banking

- Created 550 new customer facing roles
- Strengthen sector specialization
- Leverage high net worth proposition
- Partner to deliver differentiated transactional banking experiences
- Delivery of a simpler end-to-end business lending process

Personal banking

- Provide an omnichannel experience
- Invest in delivering simpler products and services
- Easy customer experiences
- Simpler unsecured lending offers
- Delivery of simple home loans via a single mortgage factory

Corporate and institutional banking

- Leadership in infrastructure, investor and sustainability
- Improved financial performance by further building out transactional banking and asset distribution capabilities

Growth in personal and SME banking

New Zealand: Business and private banking

- Continue portfolio shift towards SME and personal customer segment
- Deliver a simpler business with lower capital intensity
- Invest to create a step change increase in digital capability

Other divisions: New customer acquisition

- New propositions to drive customer acquisition
- Market leading digital experience
- Ambition to expand share in younger segments

Digital strategy themes

NAB plans to deliver its digital strategy through the following pillars:



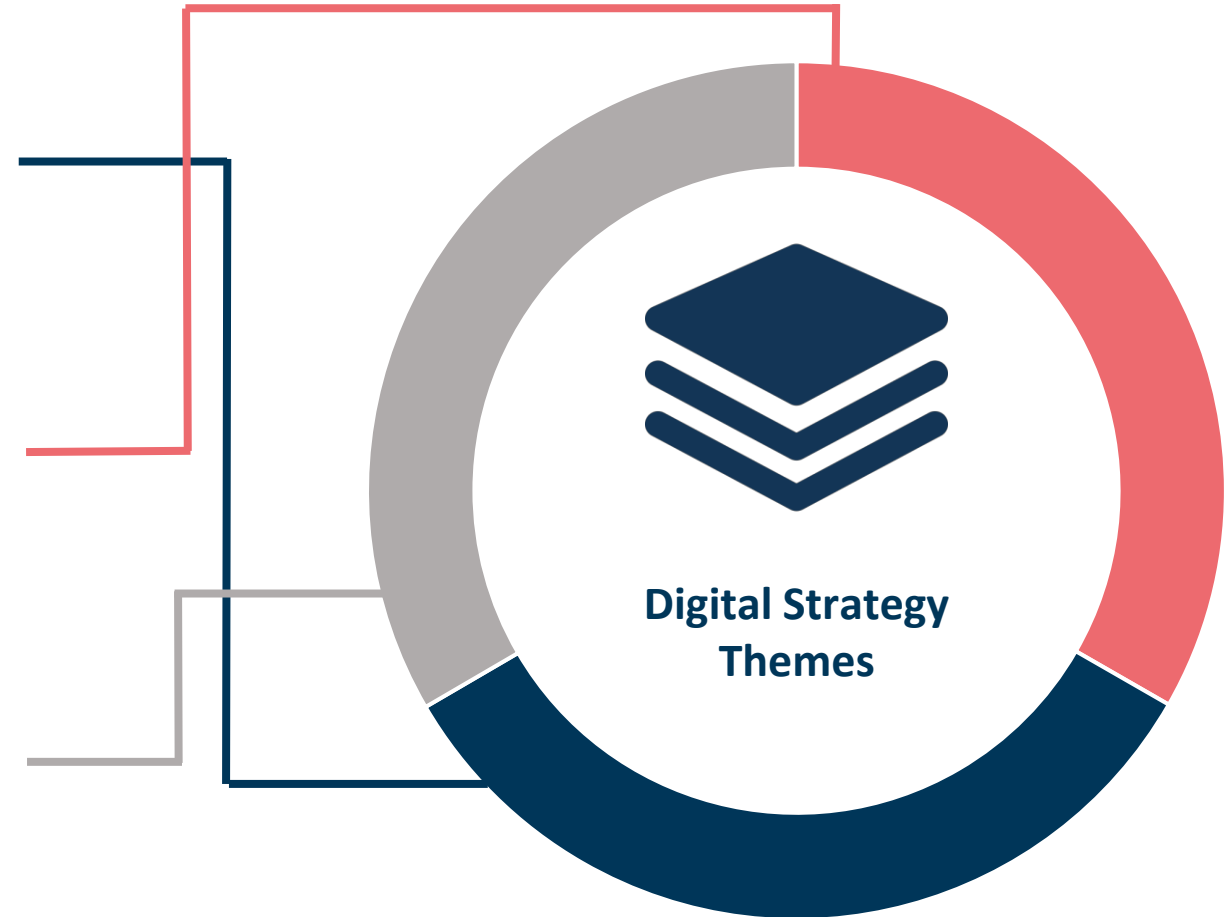
Simplify, digitise and innovate



Continue focus on mobile experience



Enhance unsecured product proposition





Continue focus on mobile experience

NAB Mobile App

- 80% of all Simple Home Loan modifications done via the mobile app
- 6% increase in digital payment value
- 13% increase in mobile payment value
- Integration with 'Slyp' to provide a digital smart receipting capability

Improved functionality in nabtrade app

- NAB plans to invest significantly to improve the app functionality
- More than 40% customer interactions on nabtrade are now via the app
- nabtrade is among the top-rated investment apps in Australia



Enhance unsecured product proposition

Simplifying everyday banking

- Customers can add their debit cards to third party wallets without having the physical card
- Cards and personal loan applications can be completed without re-authentication

NAB business credit cards

- Visibility of all transactions and receipts on single dashboard
- Real time expense capture and categorization
- Integration with existing accounting platforms

StraightUp Card

- Launched Australia's first no-interest credit card
- Accounted for 30% of all credit card applications for the bank
- 37% more applicants under 35 years old vs other cards

Building a strong digital ecosystem

Innovation Themes

Open Data & Data Driven
Personalisation

SME Banking and Merchants

Payments innovation

Banking as a service

New to Banking Market

Embedded Finance

Simplified Lending and
everyday banking experiences

Carbon and the Environment

Security & ID

Tokenisation

Investments announced since 30 Sep 2020



Spriggy provides a mobile-first pocket money app for managing family finances. NAB Ventures was the lead investor in Spriggy's most recent \$35m capital raising



Archistar is an AI-driven, cloud-based property intelligence platform that enables enterprise clients to understand and model numerous compliant, property development outcomes



Bugcrowd provides a platform and service for organisations to access trusted and highly skilled security researchers to identify bugs and security vulnerabilities, to protect their business



BioCatch develops behavioural biometric technology for use in identity authentication and fraud detection.

Follow on Investments



Slyp is a digital receipting company enabling banks to embed receipts in banking app with rich data, relevant merchant offers and loyalty



Lighter Capital provides revenue-based financing to technology companies.



Edstart works with our Education clients customers' to offer financing for private school fees with a mission of supporting access to learning and providing reassurance to families.



Stash has developed a mobile-first platform for personal finance including investing, banking, insurance and financial literacy






Hometime provides a short-term rental management services (co-hosting) platform for Airbnb property owners



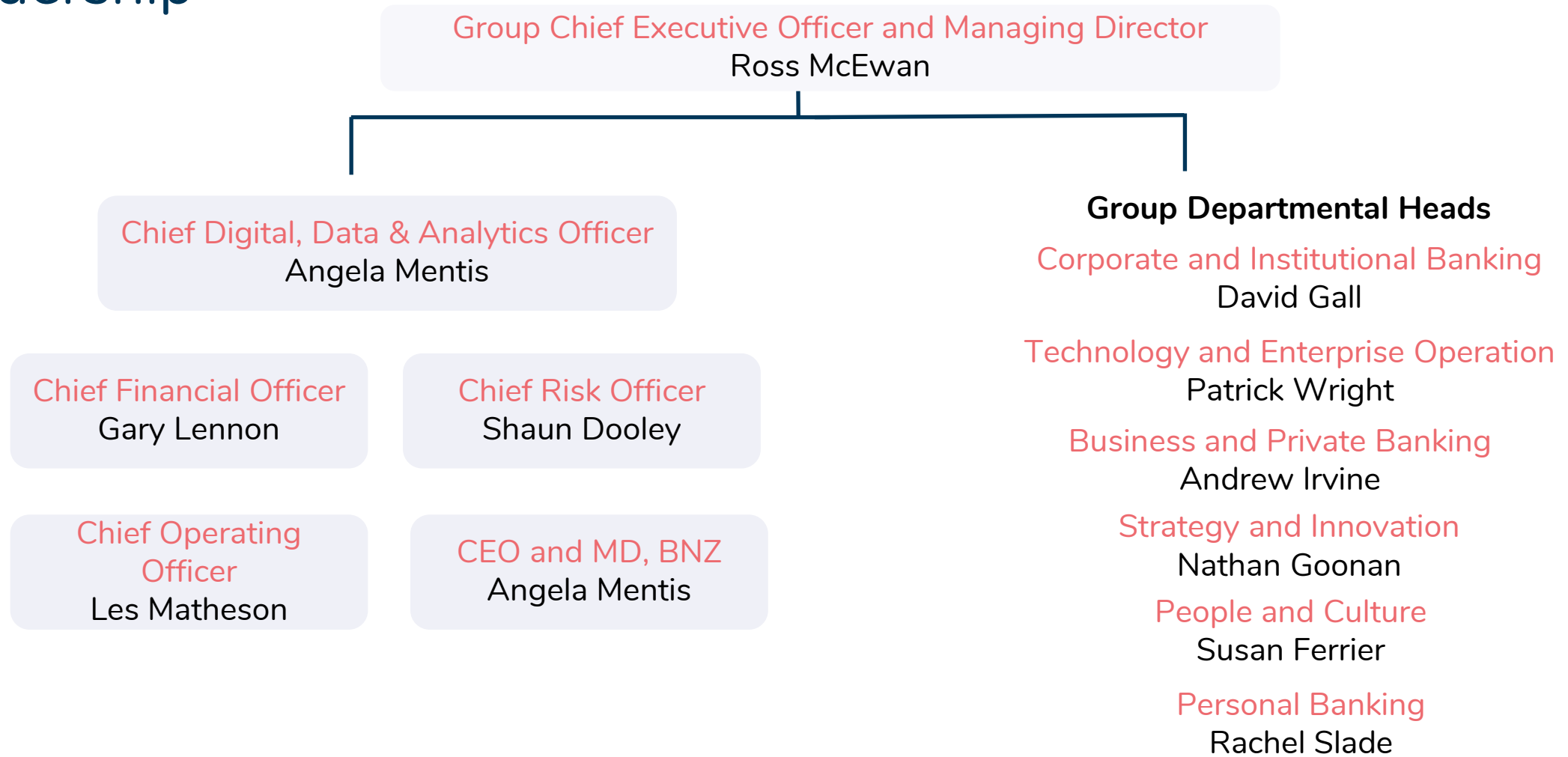
Figured is a farm financial management software company that aims to help farmers better manage the profitability and productivity of their farming operations



Achieving **cost and revenue growth** with technology investments

KEY AREAS OF FOCUS	3 YEAR ACHIEVEMENTS ¹
Leverage the Cloud, Microservices and APIs	<ul style="list-style-type: none">54% of total apps² now running on the cloud and targeting 80% – greater flexibility and reliabilityBuilt >300 microservices and >2,500 APIs – increasing efficiency of new feature delivery 
Simplify legacy technology	<ul style="list-style-type: none">Reduced the number of applications by 13%³ – reduced complexitySimplified and modernised workplace technology for colleagues87% reduction in High and Critical rated incidents⁴ – significantly less customer impacts 
Embracing Data & Analytics	<ul style="list-style-type: none">Delivered numerous machine learning use cases for processes such as voice analytics & compliance, customer complaints, fraud and insider crime detection, customer retention, financial difficulty support, and credit decisioning 
World class cyber security	<ul style="list-style-type: none">Kept losses broadly stable despite significant surge in attempted fraudAchieved a 18% increase in NIST⁵ score – improved capability to protect customers 
Culture of high speed delivery	<ul style="list-style-type: none">Significant reduction in average time to deliver change32% improvement in technology productivity⁶ 
Insourcing key technology functions & uplifting skills	<ul style="list-style-type: none">Insourcing of major contracts mostly completed, or winding down. Workforce now 68% insourced from 30%>2,700 industry recognised cloud certifications (#1 in Australia for AWS & Azure for non-cloud companies) 

Leadership



Key decision-makers



Ross McEwan
CEO and MD
Group



Angela Mentis
CEO and MD
Bank of New
Zealand



Gary Lennon
Chief Financial Officer
Group



Shaun Dooley
Chief Risk Officer
Group



Les Matheson
Chief Operating Officer
Group

Ross McEwan



Group CEO and MD

- Became the CEO and MD of NAB in December 2019
- Has over 30 years of experience in finance, insurance, and investment industries

Supporting customers:

“

We work directly with our customers to find the right solutions or refer them to free and independent services if that's what they need. We don't deal with fee-charging debt management providers looking to take advantage of customers already under pressure. Going forward, we want to be known for being easy to deal with, a safe bank, relationship-led and for our long-term view.

Managing climate change:

“

Climate change is one area where we all play our part. We are evolving our business to help manage the effects of climate change and support the transition to a low-carbon economy. Critically, we are doing this mindful of energy security, the challenges and opportunities of our major customers and potential impacts on the communities in which they employ many Australians.



Insights



Immersions



Challenges

How can we help?
reachus@twimbit.com

