

Good morning, ladies and gentlemen, and welcome to this meeting.

As the year draws to a close and we meet today at the first virtual AGM in our company's history, the significant changes and challenges of the past 12 months are foremost in my mind.

As a result of the COVID-19 pandemic, this has been a year in which people have lost loved ones, suffered ill-health and been separated from family.

It is a year that saw businesses upended and economies shattered.

In the last 24 hours, we have seen in Sydney how quickly the situation can change.

Many communities across the country have felt the additional impact of bushfires, continued drought and flooding, just as we have seen in Queensland this week.

This has reminded us of our fragile, sometimes harsh environment and the impact of a changing climate.

It also reminds us of the importance of being prepared for natural disasters.

I am pleased with how NAB has risen to these challenges.

I have appreciated the efforts of NAB's 34,000 people who have continued serving customers well this year, often in trying circumstances of their own.

In a very difficult year, our company has supported customers, and remained safe and secure.

It is also well-prepared for 2021 – and beyond.

Safe amid uncertainty

Balance sheet strength is fundamental, and the Board is determined that the stability of our bank should never be in doubt.

Earlier in the year, amid a high degree of uncertainty, we made sure we were well capitalised and able to withstand potential shocks to the economy.

We took the decision to raise capital levels by way of a fully underwritten institutional share placement of \$3 billion and non-underwritten share purchase plan of \$1.25 billion.

Due to shareholder demand, the size of the share purchase plan was increased by \$750 million over our original target of \$500 million.

It was important to the Board that individual investors could participate alongside institutional investors.

Thanks to your support, we remain a very safe bank and are well-positioned to keep lending through the recovery.

I know many shareholders and their families rely on our dividends for income and we appreciate the impact a reduced dividend has on people.

Our decision to pay a total dividend for the 2020 financial year of 60 cents per share reflects our desire, in line with regulatory guidance, to both maintain a strong capital position and continue to provide income to shareholders.

It is an investment in the long-term value of our bank.

While some of our competitors deferred or decided not to pay an interim dividend, the Board did not feel that option met our responsibilities to you.

The Board felt it was appropriate that the experience of customers and shareholders during 2020 should be reflected in remuneration outcomes.

That is why none of the Executive Leadership Team received an annual variable reward this year.

In addition, the Group CEO offered a 20 per cent reduction in his fixed remuneration for the second half of the year, as did the Board on base director fees.

Looking ahead – long-term performance

The future performance of the NAB share price is an absolute priority.

We aim to grow cash earnings per share alongside customer satisfaction and employee engagement, to deliver greater value to you, as shareholders.

Over the past ten years our total shareholder return, relative to major bank peers, is second.

Today our market capitalisation puts us at fourth place on the ASX and second among other major banks.

This is for the first time in 12 years.

While headwinds remain, there is good underlying momentum in the business.

We are confident that our shareholders will be rewarded over time, as the experience of our customers continues to improve.

Our ambition is centered on the core notion of being a good bank.

In turn, being a good bank will deliver long-term value to shareholders.

Ross has proven he is the right leader for the bank, and he has a talented, experienced team behind him.

Together, they have created a refreshed group strategy with a far simpler approach, which brings much sharper discipline and focus.

The business structure has been reorganised to make accountabilities clearer, and decision-making faster.

The bank is much more focussed on serving customers well and on getting the basics right.

There is already greater discipline in processes, to better manage non-financial risks.

We have certainly not forgotten the lessons learned from the Royal Commission and through our self-assessment.

I am pleased with the progress made to improve culture, governance and accountability practices, and outcomes for NAB customers.

Our reform program is rigorous, and its completion will be critical to our future.

The Board believes the right foundations are in place and we will continue to seek evidence of ongoing improvement.

We are a stronger, better bank than a year ago.

Operating environment

We are also operating in a much better economic environment than we anticipated, even just a few months ago.

While significant uncertainty remains, there is increased optimism emerging following the early-stage rollouts of vaccines overseas.

Here in Australia, and over in New Zealand, we are in a very fortunate position.

Relative to other developed nations, we have managed the health and economic challenges well.

The actions and cooperation of governments, regulators and the banking industry has helped more businesses stay open and kept more people in jobs.

The resources and agricultural sectors have been a consistent strength for the Australian economy.

Our state and territory borders have re-opened and restrictions continue to ease.

It is pleasing that a very large majority of those who chose to defer their loans are now getting back on track.

Around 90 per cent of home loan customers who were on deferral are resuming payments.

After experiencing Australia's first recession in nearly 30 years, the recovery is underway – but it will take time.

There will be some sectors that continue to be constrained, some companies whose business models simply don't work in a COVID-19 normal environment and some households who will remain under concerning financial stress.

As we manage through the recovery, we will remain sensitive to customers in these situations and provide appropriate support.

We will lend responsibly, with a clear approach not to put people into further debt if they cannot afford to repay.

As Australia's largest business bank, it is also our responsibility to support customers through the cycle.

We continue to lend and we are working collaboratively with government on support initiatives such as the SME Guarantee Scheme and the Business Growth Fund.

Australia has a dynamic small business sector.

NAB will help businesses adapt to a different world, to create jobs and fuel critical growth in the coming years.

ESG-risk

The Board is also focussed on the long-term challenges we face, which is why, for the first time, sustainability is a key anchor of our refreshed business strategy.

Climate change is an issue that presents commercial risks and opportunities for NAB, as well as for our customers and their communities.

Our commitment is to achieve a net-zero emissions lending portfolio, consistent with the global ambition to achieve a net-zero emissions economy by 2050.

NAB is the only Australian bank to have signed the Collective Commitment to Climate Action to bind us to this target, alongside 38 banks globally.

This is an ambitious commitment of which I am proud and which helps shape our strategic considerations. More of our customers are also preparing for a net-zero emissions world and we have a natural interest in supporting businesses, as they undertake that preparation.

These are commercial risk-based decisions, and as a relationship-led bank, it is our responsibility to support our customers through this transition.

The way we seek to address sustainability risks is not limited to climate change.

We are constantly improving the way we account for environmental, social and governance risks.

We are pleased to have been ranked second among Australian banks, and among the top 12 banks globally, in the Dow Jones Sustainability Index for 2020.

Board renewal

As we navigate these challenges and opportunities, we are taking a steady and thoughtful approach to Board renewal.

We are carefully considering the skills and experience of the Board as a whole.

As well as the Chairman and Group CEO transitions in 2019, Kathryn Fagg was appointed to the Board at last year's AGM.

This was followed by the commencement of Simon McKeon as a Non-Executive Director in February.

These changes have delivered fresh thinking, diversity and stability.

After serving almost seven years on the Board, Geraldine McBride will today retire as a Non-Executive Director.

Geraldine has served as a member of the Board's Audit and Customer Committees.

Geraldine's expertise in data and technology, and her experience in strategy and innovation, have been valuable to the Board.

I thank Geraldine for her contribution.

Simon McKeon stands today for election as a Non-Executive Director.

Simon has more than 40 years' experience in financial services, law, government and the not-for-profit sector.

He is Chairman of the Board's Risk & Compliance Committee and a member of the Board's Nomination & Governance Committee.

David Armstrong, Peeyush Gupta and Ann Sherry all stand for re-election today.

We anticipate appointing a new Director in 2021 to achieve our target Board size of 10 members including the Managing Director.

We will do this with the view to maintaining a diverse range of relevant skills and experience.

Conclusion

In closing, NAB is focussed on what matters most: serving customers well and helping our communities prosper.

That is why we are here and how we will succeed.

Thank you to our shareholders for your ongoing support.

The Board and I appreciate your commitment to the company.

I will now hand over to the NAB Group Chief Executive Officer, Ross McEwan.