

Company Profile

Ord Minnett Research

16 July 2025

National Australia Bank Limited (NAB.AX)

National Australia Bank Limited (NAB) is a financial services organisation. Services provided includes banking services, credit and access card facilities, leasing, housing and general finance, international, investment and private banking and wealth management services, funds management and custodian, trustee and nominee services.

Business and Private Banking: This division focuses on NAB's priority small and medium enterprise (SME) customer segments. This includes diversified businesses, as well as specialised Agriculture, Health, Professional Services, Franchisees, Government, Education and Community service segments along with Private Banking and JBWere.

New Zealand Banking Serves customers across New Zealand with personal and business banking services, through a nationwide network of customer centres, digital and assisted channels. From 1 October 2023, the Bank of New Zealand's Markets Trading operations and enabling units are reported within New Zealand Banking.

Corporate and Institutional Banking: Partners with customers globally to meet their complex financial needs, through a range of products and services including client coverage, corporate finance, markets, transactional banking, enterprise payments and asset servicing (which is being wound down over approximately three years from November 2022). Corporate and Institutional Banking serves its customers across Australia, US, Europe and Asia with industry relationships and product teams.

Personal Banking Provides banking products and services to customers including securing a home loan and managing personal finances through deposits, credit card or personal loan facilities. Customers are supported through a network of branches and ATMs, call centres, digital capabilities as well as through proprietary lenders and mortgage brokers.

Snapshot

Last Price	\$39.61
Market Cap.	\$121,327 million
52 Week High/Low	\$41.68 - \$31.13
Shares on issue	3,063 million
GICS Industry	Banks

Key Dates

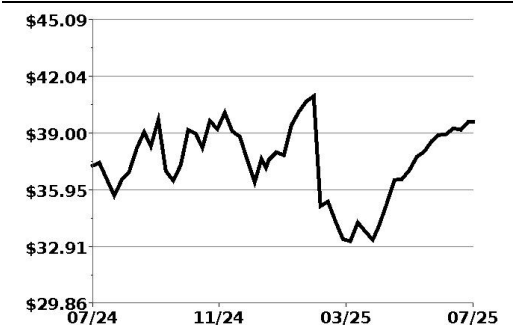
Accounts Close	30 September
AGM	18 Dec 2024
Listing Date	31 Jan 1962

Investment Fundamentals

		2024A	2025E	2026E	2027E
Sales Rev.	\$m	--	--	--	--
Rep Profit	\$m	6,960.0	6,777.1	6,368.0	6,393.2
Norm Profit	\$m	7,102.0	7,129.1	6,720.0	6,745.2
Rep EPS	¢	221.8	217.4	204.9	205.3
Norm EPS	¢	226.1	227.9	215.4	215.8
Rep PE	x	16.5	17.6	18.6	18.5
Norm PE	x	17.7	17.6	18.6	18.5
DPS	¢	169.0	170.0	170.0	170.0
Yield	%	4.5	4.2	4.2	4.2
Franking	%	100	100	100	100
ROE	%	11.6	11.3	10.4	10.2

Source: Ord Minnett

Share Price Chart



Total Return on \$10,000 Investment



Company Profile

Ratios and Substantial Shareholders						
		2020A	2021A	2022A	2023A	2024A
Profitability Ratios						
Net Interest Margin	%	1.30	1.58	1.54	1.69	1.64
Interest Spread	%	0.96	1.47	1.39	1.05	0.97
Non-Int Inc/Total Inc	%	38.42	17.34	20.22	19.37	19.54
Tot Op. Inc/Tot Assets	%	1.55	1.83	1.75	1.87	1.84
Return on Equity	%	7.32	10.38	11.81	12.23	11.51
Efficiency/Safety Ratios						
Cost to Income	%	38.58	44.17	44.47	42.37	45.01
Capital Adequacy Ratio	%	16.62	18.91	18.17	19.88	--
Top 5 Substantial Shareholders						
State Street Corporation and subsidiaries						7.2%
BlackRock Group						6.0%
The Vanguard Group,Inc						6.0%

Source: Morningstar

Principals & Directors	
Principals	
Company Secretary	Mrs Claire Hannon Mrs Louise R Thomson
Directors	
Mr Philip Wayne Chronican (Non-Executive Director,Non-Executive Chairman)	
Ms Ann Sherry (Non-Executive Director)	
Ms Sarah (Carolyn) Hailes Kay (Non-Executive Director)	
Ms Alison Mary Kitchen (Non-Executive Director)	
Ms Kathryn Joy Fagg (Non-Executive Director)	
Mr Simon Vincent McKeon (Non-Executive Director)	
Mr Warwick Ean Hunt (Non-Executive Director)	
Ms Christine Louise Fellowes (Non-Executive Director)	
Mr Andrew Francis Irvine (Chief Executive Officer,Managing Director)	

Source: Morningstar

Recent Operational History

16 May 2025 - National Aust. Bank reported NPAT down 2.49% to \$3,407m for the half-year ended 31 March 2025. Revenue from ordinary activities were \$10,282m, up 1.1% from last year. Basic and Diluted EPS were 111.19 cents compared to 112.24 cents last year. The net operating cash outflow was \$1,996m compared to an outflow of \$27,528m in the pcq. The interim dividend declared was 85 cents, compared with 84 cents last year.

07 May 2025 - National Australia Bank provided that the Company uses cash earnings (rather than statutory net profit attributable to owners of it) for its internal management reporting purposes and considers it a better reflection of the Group's underlying performance. Accordingly, information is presented on a cash earnings basis unless otherwise stated. Cash earnings is not a statutory financial measure and is not presented in accordance with Australian Accounting Standards nor audited or reviewed in accordance with Australian Auditing Standards.

07 May 2025 - National Australia Bank provided that Revenue increased by 1.7% reflecting higher Markets and Treasury (M&T) income. Excluding M&T, revenue was 1.1% lower with 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 3bps increase from M&T, NIM declined 3bps as a result of deposit impacts, higher wholesale funding costs and lending competition, partially offset by higher earnings from deposit and capital replicating portfolios.

Peer Analysis			Market Cap	Price	PE (x)		EPS Growth		Dividend Yield		Franking	
Company Name	Code	Recommendation	(\$m)	(\$)	2025	2026	2025	2026	2025	2026	2025	2026
Commonwealth Bank	CBA	Sell	300,822	179.76	29.2	29.1	5.5	0.3	2.7	2.8	100	100
National Aust. Bank	NAB	Lighten	121,327	39.61	17.6	18.6	0.8	-5.5	4.2	4.2	100	100
Westpac	WBC	Lighten	115,631	33.79	17.2	17.5	2.2	-1.4	4.5	4.5	100	100
ANZ Group Holdings	ANZ	Hold	90,378	30.29	13.3	14.1	3.0	-5.3	5.5	5.5	70	70
Bendigo Adelaide Bnk	BEN	Hold	7,299	12.85	15.2	16.2	-5.9	-6.1	4.9	4.9	100	100
Bank of Queensland	BOQ	Lighten	5,219	7.89	14.8	14.2	11.6	4.7	4.5	4.5	100	100
Judo Capital Holdings	JDO	Buy	1,794	1.60	20.8	14.0	26.9	48.2	--	--	--	--

Company Profile

Please contact your Ord Minnett Adviser for further information on our document.

Guide to Ord Minnett recommendations

Our recommendations are based on the total return of a stock – nominal dividend yield plus capital appreciation – and have a 12-month time horizon.	
SPECULATIVE BUY	We expect the stock's total return (nominal yield plus capital appreciation) to exceed 20% over 12 months. The investment may have a strong capital appreciation but also has high degree of risk and there is a significant risk of capital loss.
BUY	The stock's total return (nominal dividend yield plus capital appreciation) is expected to exceed 15% over the next 12 months.
ACCUMULATE	We expect a total return of between 5% and 15%. Investors should consider adding to holdings or taking a position in the stock on share price weakness.
HOLD	We expect the stock to return between 0% and 5%, and believe the stock is fairly priced.
LIGHTEN	We expect the stock's return to be between 0% and negative 15%. Investors should consider decreasing their holdings.
SELL	We expect the total return to lose 15% or more.
RISK ASSESSMENT	Classified as Lower, Medium or Higher, the risk assessment denotes the relative assessment of an individual stock's risk based on an appraisal of its disclosed financial information, historical volatility of its share price, nature of its operations and other relevant quantitative and qualitative criteria. Risk is assessed by comparison with other Australian stocks, not across other asset classes such as Cash or Fixed Interest.

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