



Company	National Australia Bank Limited
Code	NAB
Meeting	AGM
Date	18 December 2020
Venue	Virtual online
Monitor	Christine Haydon & Dennis Shore

Number attendees at meeting	592 people registered, 212 shareholders, 15 proxies and 365 guests
Number of holdings represented by ASA	1091
Value of proxies	\$139m
Number of shares represented by ASA	Approx. 5.95 million
Market capitalisation	\$77.04b
Were proxies voted?	Yes, on a poll
Pre AGM Meeting?	Yes, with Chair Phil Chronican, Director Anne Loveridge, Executive General Manager Investor Relations Sally Mihell and General Manager Performance and Reward Richard Doody

Upbeat and on track

A well organised virtual AGM with addresses by both Chair and CEO positive about the future outlook. The Chair commented that the bank is “operating in a much better economic environment than anticipated even a few months ago” and that the economy will be back to 2019 levels of growth by the end of 2021, a year ahead of where they had earlier estimated.

Agriculture is in the best shape since 2016, lending is \$2.4b per month, there is underlying momentum in the business and opportunities for growth in the core banking business NAB, Bank of New Zealand and U Bank. Improvement in technology has proved critical, the sale of MLC Wealth to IOOF is the last major structural change and the bank is on track to a “simpler, more relevant and easier to deal with” organisation, good for customers and good for shareholders”.

Future performance of share price is the absolute priority. The market capitalisation is now fourth in the ASX and second amongst the major banks for the first time in 12 years. NAB paid a total dividend of 60 cents per share in line with the APRA cap which the regulator lifted earlier this week. Mr. McEwan (CEO) said the bank was a dividend paying stock and would resume paying at higher levels when it was right to do so and his promise to shareholders was that each and every dollar spent must be justifiable.

There was strong support for directors seeking re-election and also for Simon McKean as a director appointed in February. All addressed the meeting capably in support of their election or re-lection. Reference was made to Mr. McKean’s position on the Rio Tinto Board with the Chair explaining that it was not possible to talk about other Company’s actions at a NAB meeting.

Overall this AGM took approximately half the time as the 2019 meeting and the Chair answered all questions mainly from Bank Warriors and Market Forces. ASA asked 5 questions including the preference of renounceable rights when capital raising. The Chair acknowledged our concerns and agreed it was the preferred option however takes more time to implement. We also commented on remuneration, changes to metrics and for an easier to understand remuneration system, where expenses may be improved, risk management framework and plans to restore shareholder value. Bank Warriors questioned at length about the still to be resolved long standing disputes which are now down from 30 to about 15. Some will never be fixed to the satisfaction of all parties and there is still some work to be done.

The requisitioned resolution by the environmental group Market Forces did not get sufficient support (only 6.92% support), and as a result the additional conditional resolution was not put to the vote. There was a number of questions regarding climate change and lending to fossil fuel industries. NAB is the only bank that has signed the Collective Commitment to Climate Action which binds it to a target of net zero emissions in its lending portfolio by 2050. NAB is reviewing lending for oil and gas loans by September 2021 and has committed to reduced exposure to thermal coal mining by 50% by 2026 and effectively zero by 2030.

All resolutions passed with more than 98% FOR with the exception of the amendment to the constitution (93% AGAINST), in line with the recommendation of the Board and ASA’s Voting Intentions.