National Australia Bank

A$40.00
As of Sun 8 Nov 2026, 12:00 UTC

ASX:NAB	Financials	Country	Australia	PE (Fwd)	16.61	TSR 10Y CAGR	9.28%	Div yield	4.25%	ROTE	10.54%
Banks (Diversified)		Beta (5Y)	0.69	PE TTM	20.86	TSR TTM	(4.43%)	Mkt cap	A$124.4B	NIM	1.80%

SE Grade™	★☆☆
Value	☆☆☆
Quality	★☆☆
Moat	★★☆

Consensus	Reference
$39	*$31*
(3.04%)	(21.60%)

Hold 4|0|6|2|2



2H24	1H25	2H25	2H26
Earnings per share			$
1.12	1.10	1.10	**1.09**
4.57%	(0.19%)	(2.34%)	(1.09%)
Revenue			$B
10.46	10.27	10.60	**11.08**
3.79%	0.97%	1.35%	4.54%
Next earnings			4 Nov

TTM	FYE 30 Sep	AUD	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026	FY2027E	Trend	5Y	10Y	Peers
22.24	Revenue	$B	18.02	19.10	17.54	16.92	16.73	18.57	20.65	20.63	20.87	22.24	*22.67*		5.86%	2.07%	20
6.56	*Revenue growth*	*%*	*(0.50)*	*5.98*	*(8.20)*	*(3.50)*	*(1.14)*	*11.00*	*11.19*	*(0.08)*	*1.16*	*6.56*	*1.91*		*6.56*	*0.54*	23
1.80	*NIM*	*%*	*1.84*	*1.85*	*1.79*	*1.77*	*1.68*	*1.64*	*1.74*	*1.71*	*1.74*	*1.80*	*1.78*		*1.74*	*1.76*	67
53.97	*Effic. R.*	*%*	*47.26*	*47.78*	*44.23*	*46.76*	*46.91*	*46.81*	*45.38*	*48.49*	*49.53*	*53.97*	*47.58*		*48.49*	*47.09*	–
27.62	*Net margin*	*%*	*28.78*	*28.55*	*26.89*	*14.89*	*37.96*	*37.11*	*35.91*	*33.73*	*32.38*	*27.62*	*32.48*		*33.73*	*30.58*	53
20.86	P/E ratio (avg)	x	16.92	15.52	16.72	26.09	13.79	14.79	13.31	16.00	17.85	21.25	*17.54*		16.00	16.36	7
2.200	P/TBV	x	1.962	1.843	1.577	1.144	1.493	1.875	1.755	1.980	2.105	2.241	*2.137*		1.980	1.859	33
2.046	P/B	x	1.743	1.637	1.418	1.073	1.395	1.727	1.613	1.812	1.917	2.085	*1.992*		1.812	1.682	27
18.49	NII	$B	13.18	13.51	13.55	13.88	13.79	14.84	16.81	16.76	17.40	18.49	*18.85*		6.04%	3.64%	–
6.27	*NII grth*	*%*	*1.95*	*2.45*	*0.37*	*2.38*	*(0.61)*	*7.59*	*13.25*	*(0.30)*	*3.86*	*6.27*	*1.91*		*6.27*	*2.41*	37
10.54	*ROTE*	*%*	*11.60*	*11.87*	*9.43*	*4.38*	*10.83*	*12.67*	*13.19*	*12.38*	*11.80*	*10.54*	*12.28*		*12.38*	*11.70*	27
9.79	*Return on equity*	*%*	*10.31*	*10.69*	*8.79*	*4.31*	*10.24*	*11.31*	*12.34*	*11.35*	*10.87*	*9.79*	*11.60*		*11.31*	*10.50*	30
0.54	*Return on assets*	*%*	*0.66*	*0.68*	*0.56*	*0.29*	*0.69*	*0.65*	*0.70*	*0.64*	*0.61*	*0.54*	*0.63*		*0.64*	*0.65*	17
1.92	EPS	$	1.81	1.86	1.56	0.76	1.79	1.99	2.18	2.11	2.16	1.92	*2.28*		1.34%	37.12%	–
(11.16)	*EPS growth*	*%*	*2112.14*	*2.75*	*(15.95)*	*(51.51)*	*137.29*	*10.85*	*9.52*	*(2.96)*	*2.10*	*(11.16)*	*(0.20)*		*2.10*	*2.43*	13
19.55	Bookvalue per sh	$	17.52	17.59	18.38	18.39	17.73	17.04	17.97	18.66	20.09	19.55	*20.08*		1.97%	0.82%	–
18.18	TBV/sh	$	15.57	15.63	16.54	17.25	16.57	15.69	16.51	17.08	18.30	18.18	*18.72*		1.87%	1.22%	–
1.70	Dividend per sh	$	1.98	1.98	1.66	0.60	1.27	1.51	1.67	1.69	1.70	1.70	*1.70*		6.01%	(1.51%)	–
4.25	*Div yield (avg)*	*%*	*6.48*	*6.88*	*6.37*	*3.04*	*5.13*	*5.13*	*5.76*	*5.00*	*4.41*	*4.17*	*4.26*		*5.00*	*5.13*	73
85.47	*Payout ratio*	*%*	*104.73*	*102.05*	*101.00*	*74.56*	*68.60*	*73.45*	*73.02*	*75.88*	*77.30*	*85.47*	*73.32*		*75.88*	*76.59*	77
3.111	Shares (diluted)	B	2.873	2.940	3.024	3.333	3.540	3.465	3.404	3.293	3.132	3.204	*3.204*		(1.97%)	1.38%	10
(2.30)	*Buyback yield*	*%*	*(2.84)*	*(2.33)*	*(2.86)*	*(10.22)*	*(6.21)*	*2.12*	*1.76*	*3.26*	*4.89*	*(2.30)*	*–*		*2.12*	*(2.31)*	10
5.52	*Eq/Assets*	*%*	*6.51*	*6.54*	*6.56*	*7.07*	*6.78*	*5.59*	*5.81*	*5.76*	*5.74*	*5.52*	*5.52*		*5.74*	*6.16*	30
1,146	Assets	$B	788.3	806.5	847.1	866.6	926.0	1,055	1,059	1,080	1,109	1,146	*1,177*		4.35%	3.97%	23
152.0	LT debt	$B	137.9	144.5	146.5	145.6	146.4	137.0	141.7	150.6	154.5	152.0	*152.8*		0.76%	2.04%	33

Peers (US$85.47B)	Cap (US$)	PE
Commonwealth Bank of…	192.3B	25.81x
Westpac Banking…	86.85B	18.61x
ANZ Group Holdings…	83.47B	20.48x
ING Groep N.V.	91.52B	9.437x

Capital	TTM	5Y	10Y
Tang eq %	5.08	5.17	5.49
LT debt %	13.27	13.38	14.87
Cash %	0.15	0.23	1.59
Sh yield %	1.95	7.52	4.09

Owners		
Insiders/Inst %	0.03	38.20
Short interest %		–
SBC / revenue %		0.81

Record	10Y
Profitable years	10/10
Revenue growth years	5/10
EPS growth years	6/10
Dividend streak yrs	5
ROE range %	4–12
$1 test x	4.0
Incr. ROIC %	–

NAB's second half was carried by Business and Private Banking, where strong business lending and higher margins lifted profit. Replicating portfolio returns widened margins, partly offset by lending competition and deposit mix, and revenue rose 4.5% year on year. Credit impairment charges climbed, including an A$103 million forward-looking provision top-up, and diluted EPS slipped 1.1%. Faster revenue does not yet justify A$40: SE fair value of A$31 is 21.6% below the price.

Revenue growth is accelerating, against 1.3% a year earlier, but management is resetting costs. Guidance for FY2027 is new: underlying cost growth below 3%, a restructuring charge in the first quarter, and business credit growth moderating to 8%. Up to 2,500 roles go by September 2027, alongside fewer consultants and wider use of AI. Pressed on rising watch loans, management said about half reflects faster early-warning transfers rather than deterioration.

Analysts expect earnings to stall before recovering: consensus EPS growth of -0.2% in FY2027 on revenue growth of 1.9%, then 5.6% EPS growth in FY2028. That flat year sits awkwardly beside the revenue acceleration, as costs, restructuring and higher provisions absorb the top-line gains. Our projections sit below consensus in both years, within a wide interval. The record offers little comfort either: EPS beat the estimate in 0 of the last 1 quarters.

Profitability has eroded steadily. The efficiency ratio moved from 45.4% in FY2023 to 54.0% in FY2026, worse, while net margin fell from 35.9% to 27.6% over the same span. ROTE slid from 13.2% to 10.5%. Return on assets is 0.5%, below its 0.6% five-year median and down from 0.7% three years ago, ranking in the 17th percentile of peers. That thin ROA, and an ROE only modestly above the cost of equity, hold Quality back.

The shares are priced well ahead of earnings. The P/E of 20.9x is 27% above its 10-year median of 16.4x, pricier on its own history. SE fair value of A$31 is 21.6% below the price, with high confidence. The weighted analyst target of A$39 sits 3.0% below the price. For A$40 to hold, results must beat the model's base case, with the cost programme lifting returns; an FY2027 EPS print at or below the flat consensus would show they are not.

The SE Score is ½ of 3. Quality earns one star because ROE of about 10% clears an 8.5% cost of equity by only two points, on a return on assets of 0.5%. Moat earns two stars: each A$1 of retained earnings has created A$5.67 of market value, even though ROE topped 12% in just one of ten years. Value earns no stars, with SE fair value 22.6% below the price and P/B 22% above its own median; the price lowered the business tier one notch.

H2 2026

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Profit by segment FY25	Profit	Trend	Revenue	Rel margin
Business and Private…	44.16%		41.72%	1.06×
Corporate and Institut…	22.52%		20.02%	1.12×
Personal Banking	17.03%		22.62%	0.75×

Revenue by region	Share	Trend
Australia	79.48%	
New Zealand	13.10%	
Other International	7.43%	

Reinvestment returns	10Y median	Trend
Retention rate	14.88%	
Return on capital	10.50%	
Spread over hurdle	2.03%	

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