

Wednesday, 11 December 2024

ASX Announcement

NAB announces sale of its remaining 20 per cent stake in MLC Life Insurance to Nippon Life

National Australia Bank Limited (NAB) today announces that it has entered into an agreement to sell its remaining 20 per cent stake in MLC Life Insurance to Nippon Life Insurance Company (Nippon Life) for \$500 million¹ (Proposed Sale).

The Proposed Sale is part of a broader strategic transaction announced today by Nippon Life, where it will acquire Resolution Life Group (Resolution Life Acquisition). As part of the Resolution Life Acquisition, MLC Life Insurance will be combined with Resolution Life Australasia to create one of Australia's largest life insurers.

Nippon Life originally acquired an 80 per cent stake in MLC Life Insurance from NAB in October 2016, with NAB retaining a 20 per cent stake. The Resolution Life Acquisition provides an appropriate opportunity for NAB to sell its remaining stake in MLC Life Insurance.

NAB has agreed to provide up to \$150m contingent Tier 2 capital support to the combined MLC Life Insurance and Resolution Life Australasia business if required. The support is available to be drawn down for a period of three years post completion of the Resolution Life Acquisition.

The Proposed Sale will not have a material impact on NAB's cash earnings. Upon completion, NAB will recognise a gain on sale within statutory net profit. Upon completion, the Proposed Sale is expected to result in an approximate 10 basis point increase in Level 2 Common Equity Tier 1 capital.

The Proposed Sale is subject to satisfaction of certain conditions, including completion of the Resolution Life Acquisition, and regulatory approvals. The Proposed Sale is expected to complete in the second half of calendar year 2025.

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Approved for distribution by NAB's Disclosure Committee.

¹ The sale price assumes the Proposed Sale completes on 31 December 2025 and is subject to adjustment if the eventual completion date differs from this date.