

National Australia Bank Limited

NAB.AX | Financials | Diversified Banks

KEY METRICS

Price	Mkt Cap	Fwd P/E	EV/EBITDA
A\$48.32	A\$139.1B	Pending	Pending
52wk Range	Div Yield	Revenue	NPAT
Pending	Pending	Pending	Pending

Coverage of NAB.AX is currently in Phase 1 (Baseline Ingest). As a provider in the Diversified Banks sector, we are prioritising narrative weight assessment and signal divergence tracking while detailed financial history is being audited.

OVERALL SENTIMENT

Overall Sentiment	+18 UPSIDE
External Environment	+4
Company Research	+15

KEY TAKEAWAYS

- The T2 narrative ('NIM Compression') currently dominates the valuation math with 40.0% probability.
Evidence suggests: Placeholder — requires analyst research to populate.
 - Risk profiling for NAB.AX prioritises execution stability. We are monitoring Earnings guidance and consensus estimates. as the primary diagnostic milestone for narrative survival (ACH-2).
 - Market-wide regime is neutral (score: +4). External signals are enhancing the Financials sector's baseline trajectory.
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COMPANY OVERVIEW

National Australia Bank Limited (ASX: NAB) — auto-added to coverage. Narrative analysis pending.

NARRATIVE ASSESSMENT

National Australia Bank Limited (ASX: NAB) — auto-added to coverage. Narrative analysis pending.

The narrative structure for NAB.AX follows the FINANCIALS MAJOR BANKS framework. Our assessment focuses on the divergence between stated management goals and the cross-domain evidence aggregate. Current survival scores reflect this probabilistic weighting.

MARKET CONTEXT

Macro Environment: NEUTRAL (external signal: +4)

Indicator	Value	Change
ASX 200	9,101.3	+3.2% 1mo
AUD/USD	0.7066	-0.8% 5d
RBA Cash Rate	4.10%	cutting gradually
VIX	19.6	

The regime is currently in a neutral transition phase. Direct macro/sector influence is minimal, increasing the importance of company-specific execution and idiosyncratic evidence (ACH-1/2).

SECTOR CONTEXT

Model: FINANCIALS MAJOR BANKS | Sector signal: +15 (bank rate)

COMPETING HYPOTHESES

Dominant Narrative: T2: NIM Compression (survival probability: 40%)

T2: NIM Compression [DOMINANT]

40%

Placeholder — requires analyst research to populate.

Watch: Earnings guidance and consensus estimates.

Diagnostic milestones (synthesized):

- Monitor: Earnings guidance and consensus estimates.
- Assess divergence between price signal and narrative weight.
- Audit evidence for incoming contradictory signals (ACH-3).

T1: Business Banking Moat

50%

Placeholder — requires analyst research to populate.

Watch: Upcoming earnings results and key operational metrics.

Diagnostic milestones (synthesized):

- Monitor: Upcoming earnings results and key operational metrics.
- Assess divergence between price signal and narrative weight.
- Audit evidence for incoming contradictory signals (ACH-3).

T3: Valuation De-rating

35%

Placeholder — requires analyst research to populate.

Watch: Competitive dynamics and industry trends.

Diagnostic milestones (synthesized):

- Monitor: Competitive dynamics and industry trends.
- Assess divergence between price signal and narrative weight.
- Audit evidence for incoming contradictory signals (ACH-3).

T4: Credit Cycle Turn

25%

Placeholder — requires analyst research to populate.

Watch: Macro conditions and regulatory developments.

Diagnostic milestones (synthesized):

- Monitor: Macro conditions and regulatory developments.
- Assess divergence between price signal and narrative weight.
- Audit evidence for incoming contradictory signals (ACH-3).

DIAGNOSTIC EVIDENCE

The following evidence items have the highest discriminating power between hypotheses:

DIAGNOSTIC FRAMEWORK: What evidence would shift the narrative?

In the absence of active evidence items, we evaluate hypotheses against the following diagnostic benchmarks:

Hypothesis	Validating Signal	Invalidating Signal
T2	Support for Earnings guidance and consensus estimates.	Contradiction of NIM Compression
T1	Support for Upcoming earnings results and key operational metrics.	Contradiction of Business Banking Moat
T3	Support for Competitive dynamics and industry trends.	Contradiction of Valuation De-rating
T4	Support for Macro conditions and regulatory developments.	Contradiction of Credit Cycle Turn

C = Consistent, I = Inconsistent, N = Neutral. Diagnosticity = ability to discriminate between hypotheses. HIGH/CRITICAL items are most informative.

KEY DISCRIMINATORS

Key discriminator analysis pending - will be populated as evidence items are assessed.

TRIPWIRES

Condition	Trigger	Action
Earnings guidance and consensus estimates.	Per hypothesis thresholds	Reassess T2 narrative
Upcoming earnings results and key operational metrics.	Per hypothesis thresholds	Reassess T1 narrative
Competitive dynamics and industry trends.	Per hypothesis thresholds	Reassess T3 narrative

TECHNICAL PICTURE

Technical analysis pending - signals will be incorporated when the TA agent is deployed.

ANALYTICAL GAPS

The following information would materially improve the confidence of this analysis:

RESEARCH AGENDA: 90-Day Analytical Objectives

As this ticker is in baseline coverage, our primary research agenda focuses on the following idiosyncratic drivers:

- Management guidance on Financials demand trajectory - required to validate narrative survival for dominant hypothesis (ACH-1).
- Independent institutional positioning audit - needed to assess sentiment concentration and de-risking triggers.
- Balance sheet stress-test under 100bps rate move - required to stress-test valuation integrity.
- Historical narrative flip frequency analysis - to calibrate model sensitivity for upcoming earnings events.

UPCOMING CATALYSTS

Catalyst calendar pending. Key items to monitor:

- Next results date: Pending (monitor ASX announcements)
- Monitor hypothesis tripwires for narrative-change signals.

IMPORTANT INFORMATION

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METHODOLOGY

This analysis uses the Analysis of Competing Hypotheses (ACH) framework, originally developed by Richards Heuer at the CIA for intelligence analysis and adapted here for equity research. ACH evaluates multiple competing explanations against diagnostic evidence, ranking hypotheses by the fewest inconsistencies rather than the most confirmations. This approach is designed to reduce confirmation bias and anchoring effects common in traditional equity research.

Sentiment scores are generated by a three-layer decomposition model separating macro environment, sector/commodity factors, and company-specific research. The 40/60 rule ensures company-specific research always contributes at least 60% of the overall sentiment, maintaining focus on idiosyncratic stock drivers.

NARRATIVE INTELLIGENCE PHILOSOPHY

Our approach is based on the principle that market prices represent the probability-weighted aggregate of multiple competing stories. By decomposing price action into macro, sector, and idiosyncratic narrative streams, we identify "Narrative Friction" — points where the market is pricing in a story that is increasingly at odds with observable evidence.

In our view, the most profitable opportunities occur when a dominant narrative becomes "fragile" (high survival score, high inconsistency), preceding a sharp de-rating or narrative flip.

LIMITATIONS

- Hypothesis scores are model outputs, not price targets or investment recommendations.
- Evidence assessment involves subjective judgement and may contain errors.
- Past price performance is not indicative of future returns.
- This analysis does not account for individual investor circumstances, risk tolerance, or tax position.
- Data sources include ASX announcements, broker research, company filings, and market data. Errors in source data will propagate.

CONFLICTS

DH Capital Partners and/or its principals may hold positions in securities discussed in this document. Positions may change without notice.

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