

NAB *invites you*

On 11 February 2019, National Australia Bank Limited (NAB) announced an offer of NAB Capital Notes 3 to raise approximately \$750 million, with the ability to raise more or less (the Offer).

Securityholder Offer

NAB invites holders of NAB Ordinary Shares, National Income Securities, NAB CPS, NAB CPS II, NAB Capital Notes, NAB Capital Notes 2 or NAB Subordinated Notes 2 as at 7.00pm (Melbourne time) on 7 February 2019 with a registered address in Australia, to apply to participate in the Securityholder Offer.

Reinvestment Offer – NAB CPS holders

NAB also invites holders of NAB CPS as at 7.00pm (Melbourne time) on 7 February 2019 with a registered address in Australia, to apply to participate in the Reinvestment Offer. Those holders will receive a letter accompanying this brochure which contains information on the Reinvestment Offer.

Full details of the Securityholder Offer and Reinvestment Offer are contained in the Prospectus. It is important that you read and consider the Prospectus in full before making an Application.

To find out more and obtain a Prospectus

Visit nab.com.au/ncn3offer or call **1300 367 647** (within Australia) or **+61 3 9415 4299** (outside Australia)



NAB CAPITAL NOTES 3

Securityholder and
Reinvestment Offers
Register now

NAB Capital Notes 3 are convertible notes issued by NAB. NAB Capital Notes 3 do not have a fixed maturity date for repayment and Holders will not have a right to request or require NAB to Convert, Redeem or Resell NAB Capital Notes 3.

Therefore, it is possible that NAB Capital Notes 3 could remain on issue indefinitely and the Face Value will not be repaid. However, there are certain events that could occur while NAB Capital Notes 3 are on issue which may result in NAB Capital Notes 3 being Converted into NAB Ordinary Shares, Redeemed or Resold for cash, or Written Off.

More information on NAB Capital Notes 3 and those events is contained in the Prospectus.

INTRODUCING NAB CAPITAL NOTES 3

Distribution payments

NAB Capital Notes 3 are expected to pay quarterly Distributions, which are expected to be fully franked. The effect of Distributions being franked is to reduce the cash amount received by Holders on each Distribution Payment Date by an amount equal to the relevant level of franking.

A Distribution will be paid provided the Directors decide to pay it, and provided a Payment Condition does not exist on the Distribution Payment Date. A Payment Condition exists where NAB is prevented from paying the Distribution by prudential regulatory requirements, applicable law or insolvency.

The Distribution Rate is a floating rate (i.e. it may go up or down), and is equal to the sum of the Bank Bill Rate plus a Margin, adjusted for NAB's tax rate. The Margin will be determined under the Bookbuild and is expected to be in the range of 4.00% to 4.20%.

Distributions are non-cumulative.

Minimum Application Amount

Applications must be for a minimum subscription of 50 NAB Capital Notes 3 (\$5,000) and thereafter in multiples of 10 NAB Capital Notes 3 (\$1,000).

If you are an Eligible CPS Holder and own less than 50 NAB CPS, you can still apply to participate in the Reinvestment Offer but you must apply to reinvest ALL of your NAB CPS.

Application process

If there is excess demand for NAB Capital Notes 3, final allocations may be scaled back. Where the number of NAB Capital Notes 3 allocated is less than the number applied for, or where no allocation is made, surplus Application Monies will be refunded (without interest) as soon as practicable following finalisation of the Offer.

Allocations under the Reinvestment Offer and the Securityholder Offer will be determined by NAB in consultation with the Joint Lead Managers.

Further details of the timing of the Offer will be set out in the Prospectus.

REGISTER NOW

Securityholder and Reinvestment Offers

If you wish to participate in the Securityholder Offer or the Reinvestment Offer, please follow the steps outlined below:

1. Read the Prospectus

- Download an electronic copy of the Prospectus from the Offer website at **nab.com.au/ncn3offer**, where you can also register to receive email updates about the Offer; or
- Request a paper copy of the Prospectus by visiting **nab.com.au/ncn3offer** or calling the NAB Information Line on **1300 367 647** (within Australia) or **+61 3 9415 4299** (outside Australia) (Monday to Friday, 8.00am – 7.30pm Melbourne time) (with an Interactive Voice Response Facility also available 24 hours a day, 7 days a week) during the Offer Period.

To receive a paper copy of the Prospectus with a personalised paper Application Form, you must quote your application number shown on the reverse of this brochure.

2. Apply

After the Offer opens on 19 February 2019, either:

- Complete an online Application Form via the Offer website at **nab.com.au/ncn3offer** by 5.00pm (Melbourne time) on 14 March 2019. You will require your application number shown on the reverse of this brochure; or
- If you receive a paper copy of the Prospectus, complete and lodge the personalised paper Application Form accompanying the Prospectus, and ensure your application is received by the Registry by 5.00pm (Melbourne time) on 14 March 2019.

Australian resident clients of a Syndicate Broker should contact their Syndicate Broker for instructions on how to apply.

3. Payment

You may pay your application money using one of the following methods:

- BPAY® (online applications);
- Cheque (paper applications); or
- Money order (paper applications).

If you are applying under the Reinvestment Offer, you will not need to pay any application money unless you are applying for additional NAB Capital Notes 3.

Please see Section 4 of the Prospectus and the Application Form for complete information on the Application process.

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Important information

NAB has lodged a copy of the Prospectus with the Australian Securities and Investments Commission (ASIC) and the Australian Securities Exchange (ASX). Following completion of the Bookbuild, NAB will lodge a Replacement Prospectus with ASIC and ASX which will include the Margin and Application Form. Applications may only be made under the Replacement Prospectus.

This brochure is not an offer of, or invitation to apply for, NAB Capital Notes 3. The offer of NAB Capital Notes 3 will be made in the Prospectus. Anyone wishing to apply for NAB Capital Notes 3 will need to read the Prospectus and complete the Application Form accompanying the Prospectus. Capitalised terms in this brochure have the same meaning as in the Prospectus.

This brochure and the information it contains is not investment advice and has been prepared without taking into account your investment objectives, financial situation or particular needs (including financial and taxation issues).

The full terms and conditions of NAB Capital Notes 3 are contained in the Terms. It is important that you read the Prospectus in full, and consider the Terms, before deciding to invest in NAB Capital Notes 3.

You should also consider the risks that could affect the performance of NAB Capital Notes 3, including Distribution Rate risk and market price fluctuation. These risks could result in the loss of all or some of your investment and any associated income. NAB does not warrant or guarantee the future performance of NAB or the investment performance of NAB Capital Notes 3 (including the market price). If you have any questions about NAB Capital Notes 3 or the Offer, you should seek advice from your financial adviser or other professional adviser.

NAB Capital Notes 3 do not constitute deposit liabilities of NAB, are not Protected Accounts for the purposes of the Banking Act or any other accounts with NAB and are not guaranteed or insured by any government, government agency or compensation scheme of the Commonwealth of Australia or any other jurisdiction, by any member of the NAB Group or by any other party.

NAB Capital Notes 3 have not been and will not be registered under the U.S. Securities Act of 1933, as amended (Securities Act) or the securities laws of any state or other jurisdiction of the United States and may not be offered, sold or resold in the United States or to, or for the account or benefit of, any "U.S. Person" (as defined in Regulation S under the Securities Act) unless the NAB Capital Notes 3 are registered under the Securities Act or an exemption from the registration requirements of the Securities Act is available. Neither the Prospectus nor any Application Form or other materials relating to the Offer may be distributed in the United States or to any U.S. Person. Any offer, sale or resale of the NAB Capital Notes 3 within the United States by any dealer (whether or not participating in the Offer) may violate the registration requirements of the Securities Act if made within 40 days after the Closing Date or if purchased by a dealer in the Offer.

For more information

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