



Friday, 17 July 2020

**NATIONAL AUSTRALIA BANK LIMITED**  
**ISSUE OF A\$600,000,000 FLOATING RATE CAPITAL NOTES**  
**NOTICE UNDER SECTION 708A(12H)(e) CORPORATIONS ACT 2001 (CTH)**

Pursuant to its Capital Notes Programme for the Issue of Additional Tier 1 Capital Notes ("**Capital Notes Programme**"), National Australia Bank Limited ("**Issuer**") will today issue A\$600,000,000 Floating Rate Capital Notes ("**Capital Notes**").

This notice is a cleansing notice prepared for the purposes of section 708A(12H)(e) of the Corporations Act 2001 (Cth) ("**Corporations Act**") (as inserted by ASIC Corporations (Regulatory Capital Securities) Instrument 2016/71) to enable fully paid ordinary shares in the Issuer ("**Ordinary Shares**") or an Approved NOHC which are issued on conversion of the Capital Notes to be freely tradeable without further disclosure.

This notice includes in schedule 1 a description of the commercial particulars of the Capital Notes, extracted from the Capital Notes pricing supplement dated 15 July 2020 ("**Pricing Supplement**").

The Information Memorandum for the Issuer's Capital Notes Programme dated 28 November 2019 ("**Information Memorandum**") that was lodged with the Australian Securities Exchange ("**ASX**") on 3 December 2019 contains a description of:

- the rights and liabilities attaching to the Capital Notes, in the section titled "Capital Note Conditions"; and
- the rights and liabilities attaching to Ordinary Shares, in the section titled "Description of Ordinary Shares".

Words and expressions defined in the Pricing Supplement and the Information Memorandum have the same meanings in this cleansing notice unless the contrary intention appears.

The issue of Capital Notes by the Issuer will not have a material impact on the Issuer's financial position. If the Capital Notes Convert and the Issuer issues Ordinary Shares, the impact of Conversion on the Issuer would be to increase the Issuer's shareholders' equity. The maximum number of Ordinary Shares that can be issued as a result of Conversion is 272.3312 Ordinary Shares per Capital Note (with a denomination of A\$1,000), based on an Issue Date VWAP of A\$18.36.

As a disclosing entity, the Issuer is subject to regular reporting and disclosure obligations under the Corporations Act and ASX Listing Rules. Broadly, these obligations require the Issuer to prepare and lodge with the Australian Securities & Investments Commission ("**ASIC**") both yearly and half yearly financial statements, to report on its operations during the relevant accounting periods, and to obtain audit or review reports from its auditor in respect of those accounting periods.

Copies of documents lodged with ASIC may be obtained from or inspected at an ASIC office.

The Issuer must ensure that the ASX is continuously notified of information about specific events and matters as they arise for the purposes of ASX making the information available to the Australian securities market. In this regard, the Issuer has an obligation under the Corporations Act and ASX Listing Rules (subject to certain exceptions) to notify the ASX immediately of any information concerning it of which it becomes aware, and which a reasonable person would expect to have a

material effect on the price or value of its quoted securities. Documents regarding NAB released to the ASX disclosure platform are available from the ASX website at [www.asx.com.au](http://www.asx.com.au).

The Issuer will provide a copy of any of the following documents free of charge to any person who requests a copy before the Capital Notes are issued:

- the Issuer's annual financial report for the year ended 30 September 2019;
- the Issuer's half-year financial report for the half year ended 31 March 2020;
- any continuous disclosure notices given by the Issuer in the period after the lodgement of the annual financial report of the Issuer for the year ended 30 September 2019 and before the date of this notice; and
- the Issuer's constitution.

All written requests for copies of the above documents should be addressed to:

Company Secretary  
National Australia Bank Limited  
Level 1  
800 Bourke Street  
Docklands VIC 3008

These documents are also available at [www.nabgroup.com](http://www.nabgroup.com).

This notice is not a prospectus or other disclosure document in relation to the Capital Notes, and does not constitute an offer or invitation for the Capital Notes or any Ordinary Shares for issue or sale in Australia. Capital Notes are only available for sale to persons in Australia in circumstances where disclosure is not required in accordance with Part 6D.2 of the Corporations Act and the sale is not to a retail client for the purposes of Chapter 7 of the Corporations Act.

Louise Thomson  
Group Company Secretary

NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION IN WHOLE OR IN PART IN OR INTO THE UNITED STATES.

The Capital Notes have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**"), or any other applicable U.S. state securities laws and, accordingly, may not be offered, sold, pledged or otherwise transferred within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S of the Securities Act) except (i) pursuant to an exemption from registration under the Securities Act or to an effective registration statement under the Securities Act covering the Capital Notes and (ii) in accordance with all applicable state securities laws of any state of the United States. This notice does not constitute an offer or invitation to any U.S. persons.

# Schedule 1 – Description of the commercial particulars of the Capital Notes

*This description is extracted from the Pricing Supplement.*

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|-----------|--|--|
| <b>1</b>  | <b>Issuer:</b>   | NAB  |
| <b>2</b>  | <b>Type of Issue:</b>  | Syndicated Issue   |
| <b>3</b>  | <b>Relevant Dealers:</b>   | National Australia Bank Limited (ABN 12 004 044 937), Citigroup Global Markets Australia Pty Limited (ABN 64 003 114 832), Deutsche Bank AG, Sydney Branch (ABN 13 064 165 162), The Toronto-Dominion Bank, Bell Potter Securities Limited (ABN 25 006 390 772), Crestone Wealth Management Limited (ABN 50 005 311 937), Escala Partners Pty Ltd (ABN 74 155 884 236), E&P Corporate Advisory Pty Limited (ABN 21 137 980 520), JBWere Limited (ABN 68 137 978 360) and Morgan Stanley Wealth Management Australia Pty Ltd (ABN 19 009 145 555) |
| <b>4</b>  | <b>Joint Lead Managers:</b>  | National Australia Bank Limited (ABN 12 004 044 937), Citigroup Global Markets Australia Pty Limited (ABN 64 003 114 832), Deutsche Bank AG, Sydney Branch (ABN 13 064 165 162) and The Toronto-Dominion Bank  |
| <b>5</b>  | <b>Registrar:</b>  | Austraclear Services Limited (ABN 28 003 284 419)  |
| <b>6</b>  | <b>Calculation Agent:</b>  | National Australia Bank Limited (ABN 12 004 044 937)   |
| <b>7</b>  | <b>If to form a single Series with an existing Series, specify date on which all Capital Notes of the Series become fungible, if not the Issue Date:</b> | Not applicable   |
| <b>8</b>  | <b>Aggregate Principal Amount of Tranche:</b>  | A\$600,000,000   |
| <b>9</b>  | <b>Aggregate Principal Amount of Series (including the Tranche)</b>  | A\$600,000,000   |
| <b>10</b> | <b>If interchangeable with existing Series:</b>  | Applicable: No   |
| <b>11</b> | <b>Issue Date:</b>   | 17 July 2020   |
| <b>12</b> | <b>Issue Price:</b>  | 100.00 per cent of the Aggregate Principal Amount of Tranche   |
| <b>13</b> | <b>Denomination:</b>   | A\$1,000   |

*The minimum aggregate consideration for offers or transfers of the Capital Notes in Australia must be at least A\$500,000 (disregarding any moneys lent by the offeror, the transferor or their associates to the transferee), unless the offer or invitation resulting in the transfer does not otherwise require disclosure in accordance with the Part 6D.2 or Chapter 7 of the Corporations Act of Australia and is not an offer or*

*invitation to a retail client for the purposes of section 761G of the Corporations Act of Australia.*

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| <b>14</b> | <b>Type of Capital Notes</b>                                       | Floating Rate Capital Note   |
| <b>15</b> | <b>If the Capital Notes are Fixed Rate Capital Notes, specify:</b> | Applicable: No   |
| <b>16</b> | <b>If the Capital Notes are Floating Rate, specify:</b>            | Applicable: Yes  |
|           | <b>(a) Basis for determining Base Rate</b>                         | Bank Bill Rate Determination   |
|           | <b>(b) Margin</b>  | 4.00 per cent per annum  |
|           | <b>(c) Distribution Commencement Date:</b>                         | Issue Date   |
|           | <b>(d) Distribution Payment Dates:</b>                             | Each 17 January, 17 April, 17 July and 17 October, commencing on 17 October 2020 |
|           | <b>(e) Business Day Convention:</b>                                | Modified Following Business Day Convention                                       |
|           | <b>(f) Day Count Fraction:</b>                                     | Actual/365 (Fixed)   |
| <b>17</b> | <b>Scheduled Mandatory Conversion Date</b>                         | 17 July 2027   |
| <b>18</b> | <b>Scheduled Optional Conversion Date</b>                          | 17 July 2025   |
| <b>19</b> | <b>Scheduled Optional Redemption Date</b>                          | 17 July 2025   |
| <b>20</b> | <b>Scheduled Optional Resale Date</b>                              | 17 July 2025   |
| <b>21</b> | <b>Modification to notice periods</b>                              | Not applicable   |
| <b>22</b> | <b>Modifications to payment provisions</b>                         | Not applicable   |
| <b>23</b> | <b>ISIN:</b>   | AU3FN0055224   |
| <b>24</b> | <b>Common Code:</b>  | Not applicable   |
| <b>25</b> | <b>U.S. selling restrictions:</b>                                  | Regulation S Compliance Category 2   |
| <b>26</b> | <b>Other selling restrictions:</b>                                 | Not applicable   |
| <b>27</b> | <b>Listing:</b>  | Not applicable   |
| <b>28</b> | <b>Additional or alternate newspapers:</b>                         | Not applicable   |
| <b>29</b> | <b>Relevant Time</b>   | 10:00 am   |

The following amendments are made to the disclosure in the Information Memorandum:

- 1) The first paragraph of page 91 of the Information Memorandum is deleted and replaced with the following text:

“One such rule (in section 207-158 of the Income Tax Assessment Act 1997) applies when a franked distribution gives rise to a foreign income tax deduction for the issuer of the instrument (here, the Issuer). This provision would apply to Distributions paid on Capital Notes if those Distributions give rise to a foreign income tax deduction for the Issuer, even if that foreign income tax deduction is not for the full amount of a Distribution or only for a small component of the Distribution.

The Government is aware of this issue and, in May 2020, introduced legislation into Parliament to amend this rule retrospectively (“**Amending Legislation**”). If enacted in its current form, the Amending Legislation would ensure that investors (here, Resident Holders) would not be denied franking credits or tax offsets on their distributions. In addition, the ATO has released guidance confirming that the ATO is not planning to take any action in respect of investors’ compliance with the current law at this time.”

- 2) The second paragraph of page 92 of the Information Memorandum is deleted and replaced with the following text:

“The Federal Government has announced that “managed investment trusts” (“**MITs**”) and “attribution MITs” (“**AMITs**”) will no longer be entitled to the CGT discount at the trust level. This change was previously scheduled to apply from 1 July 2020, but has now been delayed and will instead apply for income years commencing on or after three months after the date of Royal Assent of enabling legislation. While there can be no certainty at this time as to when this change will come into effect, the Federal Government has indicated that it is committed to legislating to implement this measure and will continue to progress it for delivery as soon as possible. Once this change comes into effect, MITs and AMITs that derive capital gains will continue to be able to distribute those amounts as capital gains that may be subject to the CGT discount in the hands of those beneficiaries who are entitled to the CGT discount.”

- 3) The following documents are incorporated by reference in the Information Memorandum:

- ASX announcement dated 27 April 2020 – Appendix 4D;
- ASX announcement dated 27 April 2020 – NAB releases Luxembourg Transparency Law Disclosures;
- ASX announcement dated 27 April 2020 – NAB announces new executive appointments;
- ASX announcement dated 28 April 2020 – NAB completes A\$3 billion institutional placement;
- ASX announcement dated 27 May 2020 – NAB announces results of Share Purchase Plan Offer; and
- ASX announcement dated 29 June 2020 – NAB announces Executive Leadership Team appointment.