



Monday, 6 June 2022

ASX ANNOUNCEMENT

NAB launches NAB Capital Notes 6 Offer

NAB today announced the offer of a new Additional Tier 1 Capital security, NAB Capital Notes 6, which is expected to be quoted on ASX (Offer). The Offer is expected to raise \$1 billion, with the ability to raise more or less.

NAB also today announced that it will redeem NAB Capital Notes 2 (NCN2) (~\$1.5 billion) on 7 July 2022.

Details of the Offer

The Offer comprises:

- A **Reinvestment Offer**, under which Eligible NCN2 Holders¹ may apply through a Syndicate Broker to reinvest some or all of their NCN2 redemption proceeds into NAB Capital Notes 6;
- A **New Money Offer**, under which a client of a Syndicate Broker who is either a Wholesale Client, or a Retail Investor within the Notes Target Market² who has received personal advice from a qualified financial adviser, may apply through their Syndicate Broker for an allocation of NAB Capital Notes 6; and
- An **Institutional Offer**, under which certain Institutional Investors invited to participate by NAB may bid for NAB Capital Notes 6 during the Bookbuild.

NAB Capital Notes 6 will be the first Additional Tier 1 Capital security issued by NAB under the Design and Distribution Obligations (DDO) regime. Due to the new requirements under the DDO regime and as announced by NAB on 17 May 2022, NAB has decided that the Offer will not include a securityholder offer, that would have enabled existing NAB securityholders (such as NCN2 holders) to apply to NAB directly.

¹ To be an Eligible NCN2 Holder, you must: (1) have been a registered holder of NCN2 at 7:00pm on 1 June 2022; (2) be shown on the NCN2 register as having an address in Australia; (3) be an Institutional Investor or a client of a Syndicate Broker who is either a Wholesale Client, or a Retail Investor within the Notes Target Market who has received personal advice from a qualified financial adviser in connection with the Offer; (4) not be an individual residing in a member state of the European Union; and (5) not be in the United States, a US Person or acting (including as a nominee) for the account or benefit of, a US Person, and not otherwise prevented from receiving the Reinvestment Offer or NAB Capital Notes 6 under the laws of any jurisdiction.

² As the Design and Distribution Obligations regime applies to the Offer, NAB is required to make a Target Market Determination which describes, among other things, the class of Retail Investors that comprise the target market for NAB Capital Notes 6 (referred to as the Notes Target Market). The NAB Capital Notes 6 prospectus provides further information on the Notes Target Market.

Key features of NAB Capital Notes 6

- NAB Capital Notes 6 are convertible, subordinated notes that are scheduled to pay quarterly, floating rate, non-cumulative Distributions in cash subject to the satisfaction of certain conditions³.
- The Distribution Rate is equal to the sum of the Bank Bill Rate plus a Margin, adjusted for NAB's Tax Rate⁴. Distributions are expected to be franked at the same rate as dividends paid on Ordinary Shares.
- The Margin will be determined under the Bookbuild and will not change for the term of NAB Capital Notes 6. The Margin is expected to be in the range of 3.15% to 3.35% per annum.
- Subject to certain conditions including prior written approval from APRA, NAB may elect to Convert, Redeem or Resell NAB Capital Notes 6 on 17 December 2029, 17 March 2030, 17 June 2030 or 17 September 2030, or following a Tax Event or Regulatory Event.
- NAB Capital Notes 6 will mandatorily Convert into Ordinary Shares on 17 September 2032 (subject to certain conditions), unless they are Converted, Redeemed or Resold earlier.
- NAB must immediately Convert NAB Capital Notes 6 into Ordinary Shares if a Loss Absorption Event occurs. A Loss Absorption Event may occur when NAB encounters severe financial difficulty. Conversion in those circumstances is likely to result in Holders receiving Ordinary Shares that are worth significantly less than the money they invested in NAB Capital Notes 6.
- Holders of NAB Capital Notes 6 will have no right to request that NAB Capital Notes 6 be repaid. Without a Conversion, Redemption or Resale, Holders would have to sell their NAB Capital Notes 6 on the ASX at the prevailing market price to realise their investment.

How to access a Prospectus

The NAB Capital Notes 6 prospectus (Prospectus) was lodged with ASIC and made available on ASX today. The Prospectus does not contain the Margin. A replacement Prospectus containing the Margin is expected to be made available within Australia on ASX and on the Offer website at nab.com.au/nabcapitalnotes6 when the Offer opens (expected to be on 14 June 2022).

This announcement only contains a summary of the features of NAB Capital Notes 6 and the Offer. The Prospectus and Terms of NAB Capital Notes 6 should be read in full before deciding whether to invest.

Unless otherwise defined, capitalised terms in this announcement have the meaning given to them in the Prospectus.

How to apply

All Applications must be from an Institutional Investor or a client of a Syndicate Broker who is either a Wholesale Client, or a Retail Investor within the Notes Target Market who has received personal advice from a qualified financial adviser in connection with the Offer.

³ A Distribution will only be paid if the Directors resolve to pay it and a Payment Condition does not exist on the Distribution Payment Date.

⁴ Being the Australian corporate tax rate applicable to the franking account of NAB on the relevant Distribution Payment Date.

All Applications must be submitted through a Syndicate Broker and you are encouraged to contact your Syndicate Broker as soon as possible for instructions on how to apply.

The Prospectus contains details on the Syndicate Brokers.

Key Dates for the Offer⁵

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| Lodgement of the Prospectus with ASIC | 6 June 2022 |
| Bookbuild | 6 June 2022 - 13 June 2022 |
| Announcement of Margin | 14 June 2022 |
| Lodgement of the replacement Prospectus with ASIC | 14 June 2022 |
| Opening Date for the Offer | 14 June 2022 |
| Closing Date for the Offer (5:00pm Melbourne time) | 30 June 2022 |
| Issue Date of NAB Capital Notes 6 | 7 July 2022 |
| Commencement of trading of NAB Capital Notes 6 on a normal settlement basis | 8 July 2022 |
| Despatch of NAB Capital Notes 6 Holding Statements | 13 July 2022 |
| First Distribution Payment Date ⁶ | 17 September 2022 |
| First Optional Conversion / Redemption / Resale Date ⁷ | 17 December 2029 |
| Mandatory Conversion Date | 17 September 2032 |

Further Information

For further information, you can call the NAB Information Line on 1300 367 647 (within Australia) or +61 3 9415 4299 (outside Australia) (Monday to Friday – 8:00am to 7:30pm AEST).

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The information provided in this announcement is not investment advice and has been prepared without taking into account individual investment objectives, financial situations and needs (including financial and taxation issues). If you do not fully understand how NAB Capital Notes 6 work or the risks associated with them or if you have any questions about the Offer, NAB Capital Notes 6 or the Notes Target Market, you should contact your Syndicate Broker or a qualified financial adviser. This announcement does not constitute an offer in any place in which, or to any person to whom, it would not be lawful to make such an offer. In particular, NAB Capital Notes 6 have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "Securities Act"), or the securities laws of any state or other jurisdiction of the United States and may not be offered, sold or resold, directly or indirectly, 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), except pursuant to an exemption from, or in a transaction not subject to, the Securities Act.

Approved for distribution by Gary Lennon, Group Chief Financial Officer

⁵ The key dates for the Offer are indicative only and subject to change without notice.

⁶ Subject to the Directors resolving to pay the Distribution and no Payment Condition existing on 17 September 2022. Due to the Business Day convention, this date is deferred from 17 September 2022 to 19 September 2022.

⁷ 17 March 2030, 17 June 2030 and 17 September 2030 are also Optional Conversion / Redemption / Resale Dates. With APRA's prior written approval, NAB may elect to Convert, Redeem or Resell NAB Capital Notes 6 on an Optional Conversion / Redemption / Resale Date. Holders should not expect that APRA's approval will be given for any optional Conversion, Redemption or Resale.