

NAB invites you...

On 17 February 2015, National Australia Bank Limited (NAB) announced an **offer of NAB Capital Notes** to raise approximately \$750 million, with the ability to raise more or less (the Offer). NAB invites you, as a holder of NAB Ordinary Shares, National Income Securities, NAB CPS, NAB CPS II or NAB Subordinated Notes, as at 12 February 2015 with a registered address in Australia, to participate in the Offer under the Securityholder Offer.

► To obtain a Prospectus call
1300 367 647 or apply online
at www.nab.com.au/ncnoffer

A photograph of a modern, glass-clad skyscraper at night, illuminated from within and reflecting city lights. The building has a distinctive, angular design. In the foreground, there are blurred light trails from traffic, suggesting a busy urban environment. The NAB logo, a red star with the letters 'nab' below it, is in the top right corner.

NAB
Capital Notes

Securityholder Offer
Register now

Introducing NAB Capital Notes

NAB Capital Notes are fully paid mandatorily convertible subordinated perpetual notes issued directly by NAB. NAB Capital Notes will mandatorily Convert into NAB Ordinary Shares on 23 March 2022 provided certain conditions are met. With the prior written approval of APRA, NAB may elect to Convert, Redeem or Resell NAB Capital Notes on 23 March 2020, or on the occurrence of particular events, provided certain conditions are met.

NAB Capital Notes are expected to pay discretionary, quarterly, floating rate, non-cumulative Distributions. The Distribution Rate is equal to the sum of the Bank Bill Rate and a Margin, which is adjusted for NAB's Tax Rate¹ to reflect franking credits attached to each Distribution (subject to availability).² Distributions are expected to be fully franked. The Margin is expected to be in the range of 3.50% – 3.70% per annum and will be determined through the Bookbuild. Applications must be for a minimum subscription of \$5,000 (50 NAB Capital Notes) and thereafter in multiples of \$1,000 (10 NAB Capital Notes).

If there is excess demand for NAB Capital Notes, final allocations may be scaled back. If this occurs, excess application monies will be refunded. Further details of the timing of the Offer will be set out in the Prospectus.

¹ Tax Rate means the Australian corporate tax rate applicable to the franking account of NAB on the relevant Distribution Payment Date, currently 30%.

² 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.

Securityholder Offer Register now

If you wish to participate in the Offer, from **25 February 2015** please follow the steps outlined below:

1. Read the Prospectus

- Download an electronic copy of the Prospectus from the NAB Capital Notes website **www.nab.com.au/ncnoffer**; or
- Request a paper copy of the Prospectus by calling the NAB Information Line on 1300 367 647 (within Australia) (Monday to Friday – 8.00am to 7.30pm AEDT) (with an Interactive Voice Response Facility also available 24 hours a day, 7 days a week) during the Offer Period or by visiting **www.nab.com.au/ncnoffer**

You must quote your application number shown alongside your name and address on the reverse of this brochure in order to receive a personalised Application Form.

2. Apply

After the Offer opens on 25 February 2015 (open for a limited time), either:

- Complete an Application Form via the Offer website at **www.nab.com.au/ncnoffer** (you will require your application number) by 5.00pm (AEDT) on 16 March 2015; or
- If you received a paper copy of the Prospectus, complete and lodge the personalised paper Application Form which accompanied the Prospectus, and ensure your application is received by the Registry by 5.00pm (AEDT) on 16 March 2015.

3. Payment

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

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

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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, or invitation to apply for, NAB Capital Notes. The offer of NAB Capital Notes will be made in the Prospectus. Anyone wishing to apply for NAB Capital Notes 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 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.

You should also consider the risks that could affect the performance of NAB Capital Notes, including Distribution Rate risk and market price fluctuation. In addition, if there is a shortfall of funds on a winding up of NAB to pay all amounts ranking senior to and equally with NAB Capital Notes, Holders will not receive all or some of the principal invested. NAB does not warrant or guarantee the future performance of NAB or the investment performance of NAB Capital Notes (including the market price). If you have any questions, you should seek advice from your financial adviser or other professional adviser.

NAB Capital Notes 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 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 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.

► For more information

Please **call** 1300 367 647 or
visit www.nab.com.au/ncnoffer

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