



NAB CAPITAL NOTES 5

INVESTOR PRESENTATION

November 2020

IMPORTANT NOTICE

This document has been prepared by National Australia Bank Limited ABN 12 004 044 937 (“NAB”) in relation to its proposed offer of NAB Capital Notes 5. A prospectus in respect of the offer of NAB Capital Notes 5 was lodged with ASIC on 16 November 2020 (“Prospectus”). The Prospectus does not contain the Margin. The Prospectus is available online at www.nab.com.au/nabcapitalnotes5.

A replacement prospectus containing the Margin will be lodged with ASIC once the Margin is determined (expected to be on or about 24 November 2020) and will be available within Australia.

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Investment products such as NAB Capital Notes 5 are subject to risks which could affect their performance, including Distribution Rate risk and market price fluctuation. These risks could result in a holder losing all or some of their investment and any associated income. NAB does not warrant or guarantee the future performance of NAB or the investment performance of NAB Capital Notes 5 (including market price). Information about the key risks of investing in NAB Capital Notes 5 is detailed in sections 1.3 and 7 of the Prospectus.

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NAB AT A GLANCE

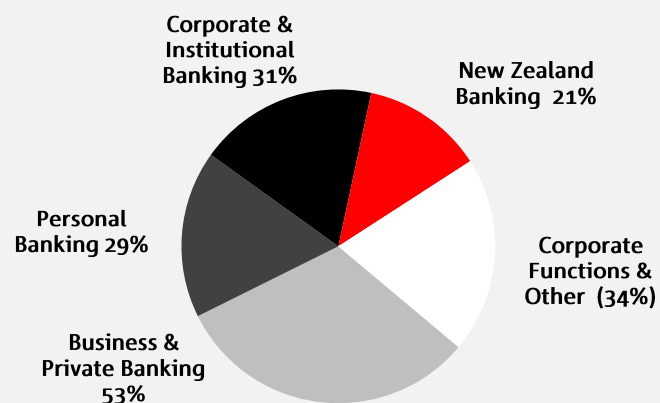
>34,000
Employees

~9 million
Customers

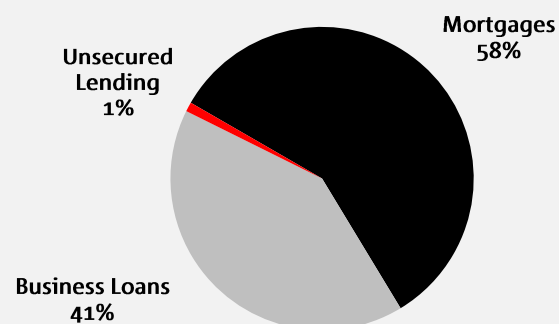
859
Branches/Business centres

>160 years
in operation

CASH EARNINGS DIVISIONAL SPLIT¹



GROSS LOANS & ACCEPTANCES SPLIT



Key Financial Data

FY20

Cash Earnings \$3,710m

Cash Earnings¹ \$4,733m

Cash ROE¹ 8.3%

Gross Loans & Acceptances \$594bn

Non-performing loans to GLAs² 103bps

CET1 (APRA) 11.47%

NSFR (APRA) 127%

Australian Market Share

As at September 2020

Business lending³ 21.5%

Housing lending³ 14.6%

Personal lending⁴ 9.2%

Credit Ratings
NAB Ltd LT/ST

S&P AA-/A-1+
(Negative)

Moody's Aa3/P-1
(Stable)

Fitch A+/F1
(Negative)

(1) Numbers are shown excluding large notable items. Refer to page 118 of NAB's FY20 Investor Presentation for definition of cash earnings and reconciliation to statutory net profit

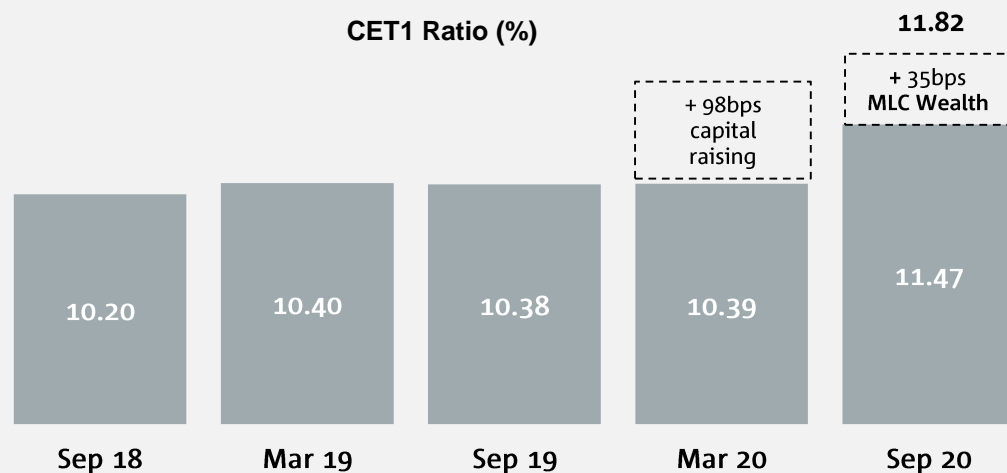
(2) 90+ days past due and gross impaired assets to gross loans and acceptances

(3) APRA Monthly Authorised Deposit-taking Institution statistics

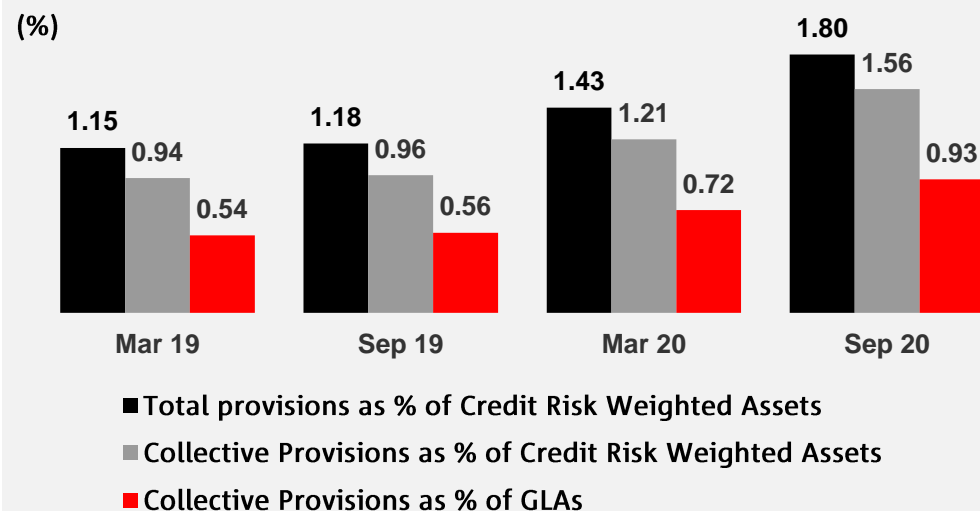
(4) Personal loans business tracker reports provided by RFI, represents share of RFI defined peer group data. Market share is at Aug 20

BALANCE SHEET STRENGTH

CAPITAL INCLUDES SUBSTANTIAL BUFFER



STRENGTHENED PROVISIONING COVERAGE



FUNDING & LIQUIDITY REMAINS STRONG

| Metric (%) | Mar 19 | Sep 19 | Mar 20 | Sep 20 |
|-------------------------|--------|--------|--------|--------|
| LCR (quarterly average) | 130 | 126 | 136 | 139 |
| NSFR | 112 | 113 | 116 | 127 |

COMMENTS

- \$3bn institutional placement and \$1.25bn share purchase plan successfully completed in 2H20
- Sale of MLC Wealth expected to provide additional 35bps of CET1 on completion¹
- Shareholder dividends of 60cps declared in FY20
- Funding and Liquidity metrics remain well above minimum thresholds
- Further increased provisioning coverage in 2H20 including top up to forward looking provisions – CP/CRWA of 1.56% and CP/GLAs of 0.93%

(1) Completion remains subject to satisfaction of certain conditions, including regulatory approvals

OVERVIEW OF NAB CAPITAL NOTES 5 (“NCN5”) OFFER

| | |
|---------------------|---|
| Issuer | <ul style="list-style-type: none"> National Australia Bank Limited (“NAB”) |
| Offer Size | <ul style="list-style-type: none"> \$750 million, with the ability to raise more or less |
| Margin and Term | <ul style="list-style-type: none"> The margin is expected to be 3.50% - 3.70% Perpetual: Optional call 7.0 years; Mandatory conversion 9.0 years (See slide 6) |
| Offer Structure | <p>The Offer comprises:</p> <ol style="list-style-type: none"> Broker Firm Offer: An offer to Australian resident clients of Syndicate Brokers Institutional Offer: An offer to Institutional Investors through the Arranger (NAB) Reinvestment Offer: An offer to eligible holders of NAB Convertible Preference Shares II (CPS II) (‘NABPB’) to rollover their investment in CPS II and reinvest all or some CPS II into NCN5. (See slide 8 for further information) Securityholder Offer: An offer to eligible holders of NAB securities¹ |
| Minimum Application | <ul style="list-style-type: none"> For Broker Firm, Institutional and Securityholder Offers: 50 NCN5 (\$5,000) and thereafter in multiples of 10 NCN5 (\$1,000) For Reinvestment Offer: If you own less than 50 CPS II you can apply to participate but must apply to reinvest all your CPS II. Otherwise, same minimum application sizes as other offers. (See slide 8) |
| Use of proceeds | <ul style="list-style-type: none"> The net proceeds of the Offer will be used for general corporate purposes |

- ASIC has published guidance which may be relevant to your consideration of whether to invest in NCN5 – namely, information for retail investors who are considering investing in bank hybrid securities. You can find this guidance by searching “hybrid securities” on ASIC’s MoneySmart website at moneysmart.gov.au
- NAB has developed a web-based Hybrid Securities Education Guide (Guide) to help investors understand some of the typical features and risks associated with an investment in bank hybrid securities. It is available at nab.com.au/hybrideducation. The Guide may be helpful when you are considering an investment in bank hybrid securities, such as NCN5 (but it is not a substitute for reading the prospectus)²

(1) NAB Ordinary Shares, National Income Securities, NAB Subordinated Notes 2, CPS II, NAB Capital Notes 2, and NAB Capital Notes 3.
 (2) If you do not fully understand how NCN5 work or the risks associated with them, you should seek professional advice from your stockbroker, solicitor, accountant or other independent and qualified professional adviser before deciding whether to invest.

OVERVIEW OF NCN5 TERMS

| | |
|----------------------------------|--|
| Type of Security | <ul style="list-style-type: none"> ▪ Mandatorily convertible, subordinated, perpetual notes directly issued by NAB ▪ Not guaranteed or secured, and are not deposit liabilities or protected accounts for the purposes of the Banking Act |
| Face Value | <ul style="list-style-type: none"> ▪ \$100 per NCN5 |
| Distributions | <p>Key features of Distributions:</p> <ul style="list-style-type: none"> ▪ Scheduled to be paid quarterly ▪ Floating rate, where Distribution Rate = (Bank Bill Rate + Margin) x (1 – Tax Rate) ▪ Expected to be franked at the same rate as dividends paid on Ordinary Shares¹ ▪ Discretionary (i.e. not guaranteed) and subject to payment conditions ▪ Non-cumulative <p>See slide 14 for further information</p> |
| Margin | <ul style="list-style-type: none"> ▪ Expected to be 3.50% – 3.70% (To be determined under the Bookbuild) |
| Term | <ul style="list-style-type: none"> ▪ Perpetual (no fixed maturity date) ▪ Could be Converted, Redeemed or Resold (see below) ▪ Could remain on issue indefinitely (and Face Value will not be repaid) |
| Conversion, Redemption or Resale | <p>Subject to conditions, NCN5 could be:</p> <ol style="list-style-type: none"> 1. Converted, Redeemed or Resold on the Optional Conversion/Redemption/Resale Date: 17 December 2027 2. Converted on the Mandatory Conversion Date: 17 December 2029 3. Converted following certain events that could occur at any time (including a Tax Event, a Regulatory Event, a Loss Absorption Event⁽²⁾, an Acquisition Event or a Potential Acquisition Event) 4. Redeemed or Resold if a Tax Event or Regulatory Event occurs <p>See slides 9 – 12 for further information</p> |
| Capital Classification | <ul style="list-style-type: none"> ▪ Additional Tier 1 Capital |
| Quotation | <ul style="list-style-type: none"> ▪ Expected to be quoted on ASX under code ‘NABPH’ |

(1) Franking is not guaranteed and Holders’ ability to use franking credits will depend on their individual circumstances and applicable Australian tax laws. The extent to which Distributions will be franked will depend on a number of factors, including the Group’s capital management plan and the level of profits subject to tax in Australia.

(2) If NCN5, for any reason, are not Converted into Ordinary Shares within the required time, NCN5 will be Written Off.

KEY DATES¹

| Key Dates for the Offer | Date |
|---|---------------------|
| Record Date for Securityholder Offer and Reinvestment Offer (7.00pm Melbourne time) | 11 November 2020 |
| Announcement of the Offer and lodgement of Prospectus with ASIC | 16 November 2020 |
| Bookbuild | 16-23 November 2020 |
| Announcement of Margin | 23 November 2020 |
| Opening Date for the Offer and lodgement of replacement Prospectus with ASIC | 24 November 2020 |
| Closing Date for the Offer (5.00pm Melbourne time) | 11 December 2020 |
| Issue Date of NCN5 | 17 December 2020 |
| Commencement of trading of NCN5 on normal settlement basis | 18 December 2020 |
| Despatch of NCN5 Holding Statements | 23 December 2020 |

| Key Dates for NCN5 | Date |
|--|---|
| Issue Date | 17 December 2020 |
| Distribution Payment Dates ² | 17 th of March, June, September and December |
| Record Date for first Distribution | 9 March 2021 |
| First Distribution Payment Date ² | 17 March 2021 |
| Optional Conversion / Redemption / Resale Date | 17 December 2027 |
| Mandatory Conversion Date | 17 December 2029 |

(1) These dates are indicative and may change

(2) Subject to Directors resolving to pay and no Payment Condition existing

OPTIONS AVAILABLE FOR ELIGIBLE CPS II HOLDERS

Option 1: Reinvest your CPS II into NCN5 under the Reinvestment Offer

You may participate in the Reinvestment Offer by completing an online Application Form and submitting directly to NAB or through your Syndicate Broker:

- **Allocation Preference:** Applications under the Reinvestment Offer will likely be given preference for allocations
- **CPS II Dividend:** You will receive a final dividend of \$0.5829 per CPS II on 17 December 2020, subject to the satisfaction of the dividend payment conditions in the CPS II Terms (Note: Final dividend cannot be reinvested)
- **Application Monies:** No separate payment required

Note: Margin for CPS II is 3.25% and the Margin for NCN5 is expected to be in the range of 3.50% to 3.70%.

Option 2: Apply for NCN5 under the Securityholder Offer

You may also apply for NCN5 by participating in the Securityholder Offer either in addition to or instead of applying under the Reinvestment Offer. You should complete an online Application Form and submit directly to NAB:

- **Application Monies:** Must be paid by BPAY® (Payments by cash or cheque will not be accepted for this offer.)

Option 3: Sell your CPS II on market through your broker

You may choose to sell your CPS II on market before the last trading day for CPS II, 30 November 2020:

- **CPS II Dividend:** You will only be entitled to the CPS II final dividend if you are on the register on 2 December 2020
- **Cost:** You may have to pay a brokerage fee
- **CPS II proceeds:** You may receive a price greater or less than the face value of \$100 per CPS II. The market price of CPS II is subject to change from time to time. Up-to-date information about the market price of CPS II can be obtained from asx.com.au (ASX code 'NABPB').

Option 4: Take no action¹

If you take no action, on 17 December 2020 you will receive:

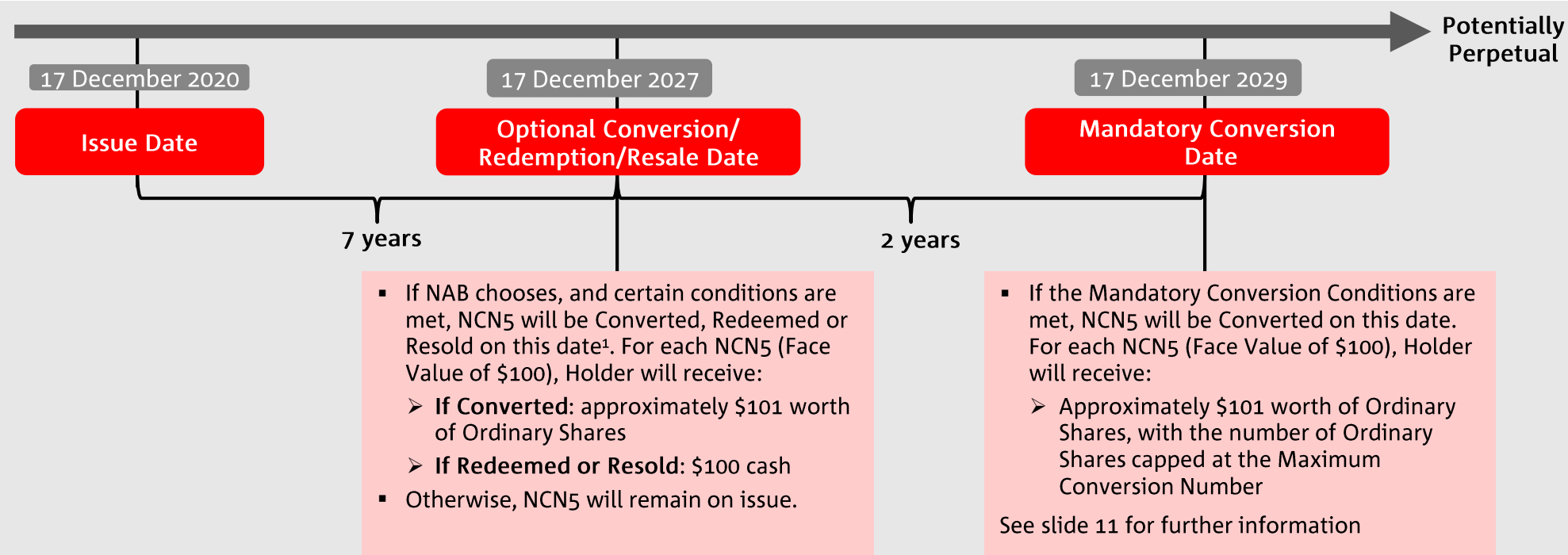
- **CPS II Redemption Price:** \$100 per CPS II
- **CPS II Dividend:** A final dividend of \$0.5829 per CPS II from the issuer (i.e. NAB), subject to the satisfaction of the dividend payment conditions in the CPS II Terms

(1) Eligible CPS II holders are not required to take any action, participation in the Reinvestment Offer is voluntary

EVENTS THAT MAY OCCUR WHILE NCN5 ARE ON ISSUE

- NCN5 do not have a fixed maturity date but there are certain events that could occur while NCN5 are on issue which may result in NCN5 being Converted into Ordinary Shares, Redeemed, Resold or Written Off.
- If none of these events occur, NCN5 could remain on issue indefinitely and the Face Value will not be repaid.
- The diagrams below and table on the next slide summarise certain events that may occur and what Holders may receive if those events occur.

Events that may occur on scheduled dates:



Events that could occur at any time:

- There are certain events that could occur at any time while NCN5 are on issue which may result in NCN5 being Converted, Redeemed, Resold, or Written Off.

See slide 10 for further information

(1) Conditions apply to any optional Conversion, Redemption, Resale or purchase of NCN5, including the prior written approval of APRA.

EVENTS THAT MAY OCCUR WHILE NCN5 ARE ON ISSUE¹ (cont.)

| Event | When? | NCN5 impacted? | Is APRA approval required? | Do conditions apply? | What value will a Holder receive for each NCN5? | In what form will that value be provided to Holders? |
|---|--|-----------------|----------------------------|----------------------|---|---|
| Mandatory Conversion (See slide 11) | On 17 December 2029 or the next Distribution Payment Date after that date on which the Mandatory Conversion Conditions are satisfied | All | No | Yes | Approximately \$101 ² | Variable number of Ordinary Shares |
| Optional Conversion | On 17 December 2027 | All or some | Yes | Yes | Approximately \$101 ² | Variable number of Ordinary Shares |
| Optional Redemption or Resale | On 17 December 2027 | All or some | Yes | Yes | \$100 (Face Value) | Cash |
| Conversion in other circumstances | If a Tax Event, Regulatory Event or Potential Acquisition Event occurs | All or some | Yes | Yes | Approximately \$101 ² | Variable number of Ordinary Shares |
| | If an Acquisition Event occurs | All | No | Yes | Approximately \$101 ² | Variable number of Ordinary Shares |
| | If a Loss Absorption Event occurs (See slide 12) | Potentially all | No | No | Depending on the market price of Ordinary Shares, likely to be significantly less than \$101 and may lose a significant amount of the money invested. If Written Off no capital repaid. | Variable number of Ordinary Shares (If NCN5, for any reason, are not Converted into Ordinary Shares NCN5 will be Written Off ³) |
| Redemption / Resale in other circumstances | If a Tax Event or Regulatory Event occurs | All or some | Yes | Yes | \$100 (Face Value) | Cash |

(1) This is a summary only. Refer to Section 1.2 of the Prospectus for further details on certain events that may occur while NCN5 are on issue, and what Holders may receive if those events occur.

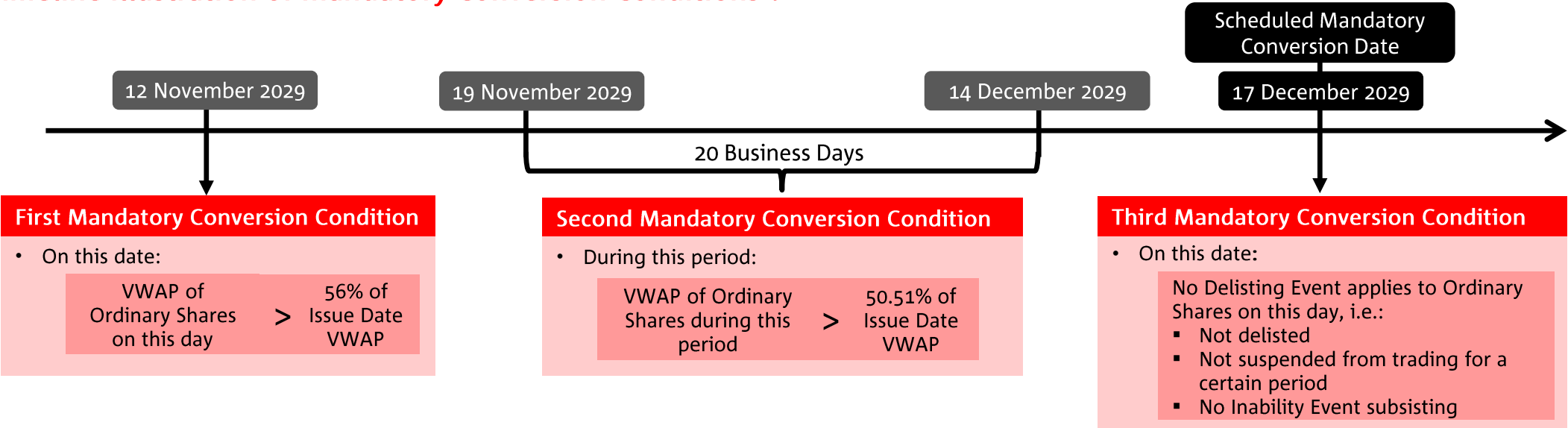
(2) Based on a Face Value of \$100 and with the benefit of a 1% discount. However, the value of Ordinary Shares received on Conversion may be worth more or less than \$101. The number of Ordinary Shares that Holders will receive will not be greater than the Maximum Conversion Number.

(3) If a NCN5 is Written Off, all rights (including to Distributions) in respect of that NCN5 will be terminated, and the Holder will not have their capital repaid.

MANDATORY CONVERSION

| NCN5 Scheduled Mandatory Conversion Date: 17 December 2029 | |
|--|---|
| Mandatory Conversion | <ul style="list-style-type: none">On the Mandatory Conversion Date, NAB must Convert all outstanding NCN5 into Ordinary Shares provided that the Mandatory Conversion Conditions are satisfied.If any of the Mandatory Conversion Conditions are not satisfied on this date, the Mandatory Conversion Date will be deferred to the next Distribution Payment Date on which those conditions are satisfied. These conditions may never be satisfied and accordingly, NCN5 may remain on issue indefinitely. |
| What Holders will receive | <ul style="list-style-type: none">With a 1% discount, Holders will receive approximately \$101 worth of Ordinary Shares per NCN5 (\$100 Face Value).The number of Ordinary Shares that Holders will receive will not be greater than the Maximum Conversion Number. |
| Maximum Conversion Number (MCN) | <ul style="list-style-type: none">Calculated using the following formula: $MCN = \frac{\\$100}{\text{Issue Date VWAP} \times 0.5}$ |
| Mandatory Conversion Conditions | <ul style="list-style-type: none">There are three Mandatory Conversion Conditions (see diagram below), each of which must be satisfied for Mandatory Conversion to occur.These conditions are intended to provide protection for Holders:<ul style="list-style-type: none">➤ First and Second Mandatory Conversion Conditions: Designed to ensure that Holders receive approximately A\$101 worth of Ordinary Shares for each NCN5 they hold➤ Third Mandatory Conversion Condition: Designed to ensure that the Ordinary Shares that Holders receive are capable of being sold on ASX |

Timeline Illustration of Mandatory Conversion Conditions¹:



(1) Based on scheduled Mandatory Conversion Date (17 December 2029). The dates and period applicable to Mandatory Conversion Conditions are defined in terms of business days (refer to Section 2.3 of the Prospectus for further details). Therefore, dates shown on this timeline may change subject to business days calculation in 2029.

LOSS ABSORPTION EVENTS

NCN5 have certain loss absorption features, which may be triggered where NAB encounters severe financial difficulty:

| | |
|---|---|
| Loss Absorption Event | <ul style="list-style-type: none"> A Loss Absorption Event is each of: <ol style="list-style-type: none"> 1) A Common Equity Trigger Event; and 2) A Non-Viability Trigger Event. May occur at any time and on any day. On the date on which a Loss Absorption Event occurs, NAB must immediately Convert some or all NCN5 as required. If Conversion has not been effected within 5 days of the Loss Absorption Event for any reason, those NCN5 will not be Converted but instead will be Written Off. |
| Conversion as a result of a Loss Absorption Event | <ul style="list-style-type: none"> Conversion is immediate and irrevocable. Mandatory Conversion Conditions do not apply. Even with a 1% discount, Holders are likely to receive significantly less than \$101 worth of Ordinary Shares per NCN5 (\$100 Face Value), depending on the market price of Ordinary Shares. The number of Ordinary Shares that Holders will receive will not be greater than the Maximum Conversion Number (MCN), calculated as: $MCN = \frac{\\$100}{\text{Issue Date VWAP} \times 0.2}$ Holders may lose a significant amount of the money they invested in NCN5. |
| Write Off Following a Loss Absorption Event | <ul style="list-style-type: none"> Write Off is immediate and irrevocable. Rights of Holders (including to payments of Distributions and Face Value) will be terminated and written off with effect on and from the date on which a Loss Absorption Event occurs. Holders will not have their NCN5 capital repaid. |

Common Equity Trigger Event

- A Common Equity Trigger Event occurs when NAB or APRA determines that, on either or both NAB Level 1 and Level 2 basis:

$$\text{CET1 Ratio} \leq 5.125\%$$

- NAB must immediately convert into Ordinary Shares or write off all or some Relevant Tier 1 Capital Instruments (including NCN5) as required so that both NAB Level 1 and Level 2 CET1 Ratios are greater than 5.125%
- As at 30 September 2020, NAB's Level 2 CET1 Ratio was 11.5%, representing a buffer of approximately A\$27bn above the 5.125% trigger.

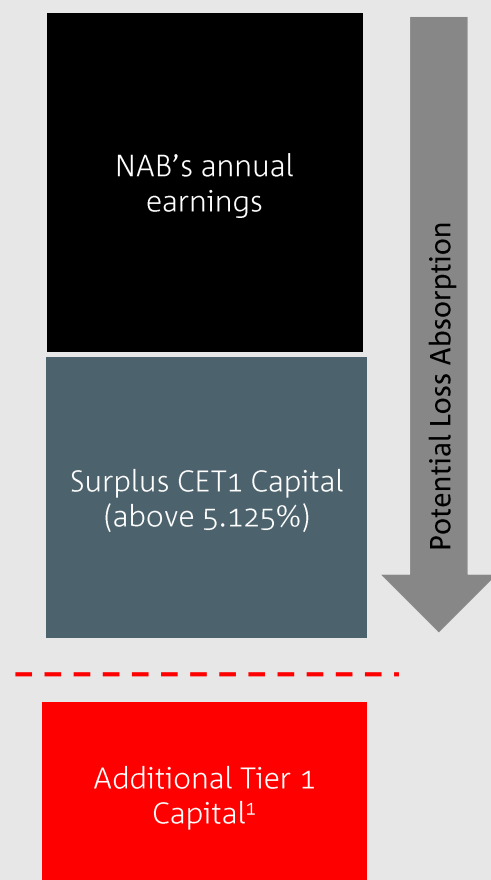
Non-Viability Trigger Event

- A Non-Viability Trigger Event occurs when APRA notifies NAB in writing that:
 - The conversion into Ordinary Shares or write off of Relevant Tier 1 Capital Instruments (including NCN5) is necessary because without that conversion or write off, APRA considers that NAB would become non-viable; or
 - Without a public sector injection of capital into, or equivalent support with respect to, NAB, APRA considers NAB would become non-viable.
- NAB must immediately convert into Ordinary Shares or write off all or some Relevant Tier 1 Capital Instruments (including NCN5) as required so that APRA is satisfied that NAB will not become non-viable. If a public sector injection of capital is required, NAB must convert or write off all Relevant Tier 1 Capital Instruments (including NCN5).
- APRA has not provided specific guidance as to how it would determine non-viability but has indicated that non-viability is likely to arise prior to the insolvency of an ADI.

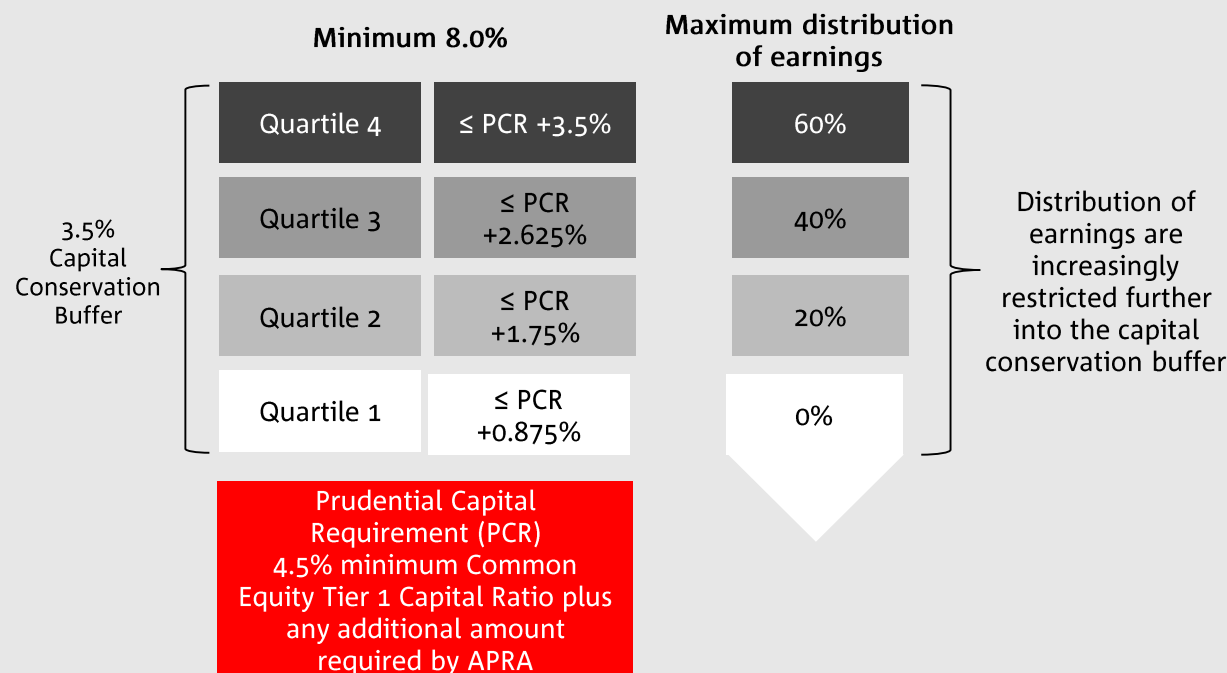
BUFFERS AND PRE-EMPTIVE ACTIONS TO PROTECT NCN5 HOLDERS

NAB's capital position and earnings provide a buffer for NCN5 holders

- Indicative Buffers above Common Equity Trigger Event Level:



The Capital Conservation Buffer (CCB) restricts the ability to distribute earnings (including payment of dividends, discretionary bonuses and Additional Tier 1 Capital distributions) if NAB's CET1 ratio falls below NAB's minimum CET1 requirement inclusive of buffers (of at least 8% of RWA)



Pre-emptive management actions available to strengthen capital²

- Dividend reinvestment plan discount and underwrite
- Equity raising (which may be underwritten)
- Ordinary dividend payout management
- Other actions including asset disposals, repricing, expense management and changing business plans

(1) May include some Basel II AT1 Capital which is subject to different conditions to Basel III AT1 Capital and may be treated differently.
 (2) NAB does not commit to take any of the illustrative pre-emptive actions, and NAB's level of Common Equity Tier 1 Capital may be affected by risks associated with its business and its ability to raise and maintain levels of capital which are outside its control

DISTRIBUTIONS

1. Expected to pay quarterly, floating rate Distributions

| | |
|---------------------------------------|--|
| Distribution Payment Dates | <ul style="list-style-type: none"> Scheduled to be paid quarterly on 17 March, 17 June, 17 September, and 17 December, commencing on 17 March 2021 until the date that NCN5 are Converted or Redeemed (if such date occurs). |
| Distribution Rate | <ul style="list-style-type: none"> The Distribution Rate is a floating rate (may go up or down) and will be calculated using the following formula for each quarterly Distribution: $\text{Distribution Rate} = (\text{Bank Bill Rate}^1 + \text{Margin}) \times (1 - \text{Tax Rate}^2)$ <ul style="list-style-type: none"> Margin to be determined under the Bookbuild, expected to be 3.5% - 3.7%. Margin will not change for the term of the NCN5. It is possible for the Bank Bill Rate to be negative. If this occurs, the negative amount will be taken into account in calculating the Distribution Rate (but there is no obligation on Holders to pay NAB if the Distribution Rate becomes negative). |
| Example Distribution Rate Calculation | <ul style="list-style-type: none"> For example, if the Bank Bill Rate was 0.02%, the Margin was 3.5% and the Tax Rate was 30%, assuming the Distribution is fully franked: $\text{Distribution Rate} = (0.02\% + 3.500\%) \times (1 - 0.30) = 2.4640\% \text{ }^3 \text{ per annum, adjusted if the Distribution is unfranked to } 3.5200\% \text{ }^4 \text{ per annum}$ |

2. Distributions are discretionary, not guaranteed, and non-cumulative

| | |
|-------------------------------|--|
| Restrictions on Distributions | <ul style="list-style-type: none"> 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. Broadly, a Payment Condition exists where NAB is prevented from paying the Distribution by prudential regulatory requirements, applicable law or insolvency. Failure to pay a Distribution when scheduled will not constitute an event of default. If a Distribution is not paid then NAB has no liability to pay that Distribution and Holders have no claim or entitlement in respect of such non-payment. Distributions are non-cumulative. |
|-------------------------------|--|

3. Distributions are expected to be franked but franking is not guaranteed

| | |
|------------------|--|
| Franking Credits | <ul style="list-style-type: none"> Distributions paid are expected to be franked at the same rate as dividends paid on NAB's Ordinary Shares Franking is not guaranteed and Holders' ability to use franking credits will depend on their individual circumstances and applicable Australian tax laws. The extent to which distributions will be franked will depend on a number of factors, including the Group's capital management plan and the levels of profits generated by the Group that will be subject to Tax in Australia. See Section Eight of Prospectus for further information. |
|------------------|--|

Restrictions on Ordinary Shares if Distributions are not paid

- If for any reason a Distribution has not been paid in full on a Distribution Payment Date, NAB must not, subject to certain exceptions, unless approved by an Ordinary Resolution, until and including the next Distribution Payment Date:
 - Declare, determine to pay or pay a dividend on Ordinary Shares; or
 - Buy-back or reduce capital on Ordinary Shares.
- However, if the Distribution is paid in full within 3 Business Days of the Distribution Payment Date, this restriction will no longer apply.

(1) Bank Bill Rate is a benchmark interest rate for the Australian money market, currently the 3M BBSW published by ASX.

(2) Tax Rate means the Australian corporate tax rate applicable to the franking account of NAB on the relevant Distribution Payment Date.

(3) The Distribution Rate shown is for illustrative purposes only and does not indicate, guarantee or forecast the actual Distribution Rate.

(4) Your ability to use the franking credits will depend on your individual tax position. The potential value of franking credits does not accrue to you at the same time as you receive the cash Distribution.

COMPARISON OF NCN5 TO OTHER NAB INSTRUMENTS¹

| Feature | Term deposit | NAB Subordinated Notes 2 | National Income Securities | NAB Capital Notes 2, NAB Capital Notes 3, NCN5 | Ordinary Shares |
|--|---------------------------------------|---------------------------------|---|---|--|
| Capital classification | None | Tier 2 Capital | Additional Tier 1 Capital ² | Additional Tier 1 Capital | Common Equity Tier 1 Capital |
| Protection under the Financial Claims Scheme | Yes | No | No | No | No |
| Term | Often 1 month - 5 years | 11.5 years | Perpetual | Perpetual | Perpetual (no maturity date) |
| Loss absorption event ³ | No | Yes | No | Yes | No |
| Transferable | No | Yes – ASX code 'NABPE' | Yes – ASX code 'NABHA' | Yes – ASX codes: NAB Capital Notes 2: 'NABPD' NAB Capital Notes 3: 'NABPF' NCN5: expected to be quoted 'NABPH' | Yes – ASX code 'NAB' |
| Interest / Distribution / Dividend | | | | | |
| Payment type (Frequency) | Fixed rate interest payments | Floating rate interest payments | Floating rate distributions | Floating rate distributions | Variable dividends |
| Payment Frequency | Often at the end of term or per annum | Quarterly | Quarterly | Quarterly | Typically twice yearly, no fixed dates |
| Subject to payment conditions | No | Yes | Yes | Yes | Yes |
| Dividend restriction if interest /dividend / distribution not paid | No | No | Yes – applies to Ordinary Shares and equally ranking securities until a year's distribution is paid | Yes – applies to Ordinary Shares only, until the next Distribution Payment Date | N/A |
| Rights if not fully franked | N/A – not franked | N/A – not franked | N/A – not franked | Distribution adjusted to reflect applicable franking rate | None |
| Redemption or Conversion into Ordinary Shares by NAB | | | | | |
| Optional early redemption | No | Yes ⁴ | Yes ⁴ | Yes ⁴ | No |
| Mandatory / optional early conversion | No | No | No | Yes, although optional conversion requires APRA's approval | N/A |


(1) This is a summary of the key comparisons only. Refer to Section 2.10 of the Prospectus for further details (including conditions on payments, Redemption and/or Conversion) on the differences between NCN5 and other NAB instruments.

(2) Transitional AT1 capital until 31 December 2021

(3) Tier 1 Capital will be converted or written off before Tier 2 Capital

(4) With APRA's prior written approval

RANKING UPON WINDING UP

| | | Examples | Examples of existing NAB obligations and securities ¹ |
|--|----------------------------|---|---|
| Higher Ranking | | | |
|  | Senior ranking obligations | Liabilities preferred by law and secured debt | <ul style="list-style-type: none"> Savings accounts and term deposits Employee entitlements Secured liabilities and covered bonds |
| | | Unsubordinated unsecured debt | <ul style="list-style-type: none"> Bonds and notes, e.g. senior unsecured notes Trade and general creditors |
| | | Term subordinated unsecured debt issued before 1 January 2013 | <ul style="list-style-type: none"> Subordinated unsecured debt obligations issued before 1 January 2013 |
| | | Term subordinated unsecured debt issued after 1 January 2013 and perpetual subordinated unsecured debt | <ul style="list-style-type: none"> Relevant Tier 2 Capital Instruments |
| | Equal ranking obligations | Preference shares and other equally ranked instruments | <ul style="list-style-type: none"> NCN5², and any securities expressed to rank equally with NCN5, which include: <ul style="list-style-type: none"> NAB Capital Notes 2 NAB Capital Notes 3 CPS II (which are scheduled to be redeemed on 17 December 2020) The preference shares comprised in the National Income Securities |
| | Lower ranking obligations | Ordinary shares | <ul style="list-style-type: none"> Ordinary Shares |
| Lower Ranking | | | |

- (1) This is a very simplified capital structure of NAB and does not include every type of security or other obligation issued by NAB. NAB has the right to issue further debt, deposits or other obligations (including the incurring or guaranteeing by it of any indebtedness) or securities of any kind at any time. NCN5 do not limit the amount of senior debt, deposits or other obligations or securities that may be incurred or issued by NAB at any time.
- (2) If an NCN5 is Converted, the Ordinary Shares a Holder receives on Conversion will rank equally with other Ordinary Shares in a winding up of NAB. If a Write Off of an NCN5 occurs following a Loss Absorption Event, the rights of Holders to distributions and returns of capital in respect of that NCN5 will be terminated, the NCN5 will not be Converted, Redeemed or Resold on any subsequent date and the Holder will not have their capital repaid. If NCN5 are Written Off, Holders will likely be worse off than holders of National Income Securities (which are not able to be converted or written off), CPS II and Ordinary Shares.

ABOUT NAB

PERFORMANCE SUMMARY

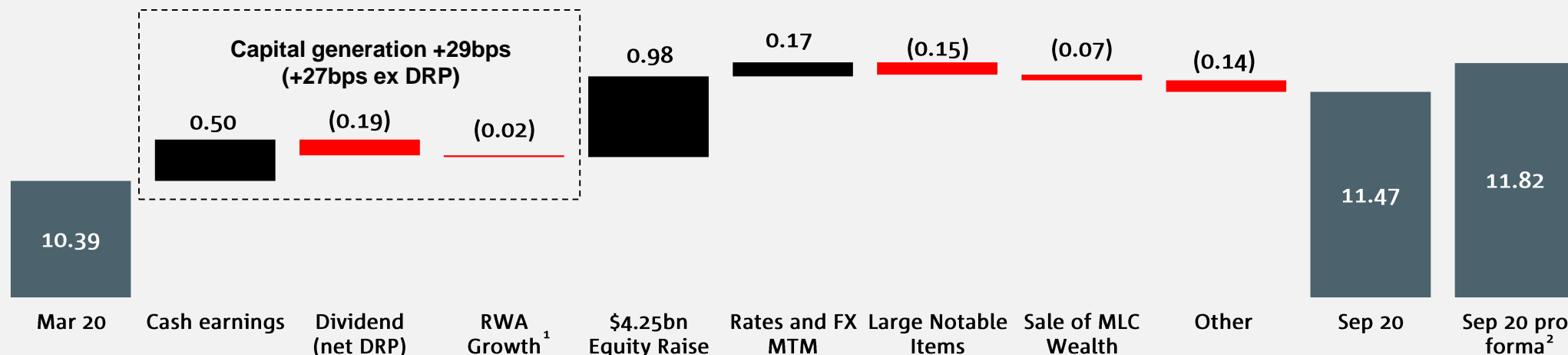
| Financial Results | FY15 ¹ | FY16 | FY17 | FY18 | FY19 | FY20 |
|--|-------------------|--------|--------|--------------------|--------------------|--------------------|
| Cash earnings (\$m) ² | 6,222 | 6,483 | 6,642 | 6,493 ⁶ | 6,545 ⁶ | 4,733 ⁶ |
| NIM | 1.90% | 1.88% | 1.85% | 1.85% | 1.78% | 1.77% |
| Cash ROE | 14.8% | 14.3% | 14.0% | 13.3% ⁶ | 12.7% ⁶ | 8.3% ⁶ |
| Balance Sheet | Sep 15 | Sep 16 | Sep 17 | Sep 18 | Sep 19 | Sep 20 |
| CET1 ratio (APRA) | 10.24% | 9.77% | 10.06% | 10.20% | 10.38% | 11.47% |
| Total capital ratio (APRA) | 14.15% | 14.14% | 14.58% | 14.12% | 14.68% | 16.62% |
| Risk-weighted assets spot (\$bn) ³ | 399.8 | 388.4 | 382.1 | 389.7 | 415.8 | 425.1 |
| Gross loans and acceptances (GLA) (\$bn) ^{1,3,4} | 521.9 | 545.8 | 565.1 | 585.6 | 601.4 | 594.0 |
| Total deposits spot (\$bn) ^{1,4} | 362.0 | 390.5 | 407.6 | 409.0 | 424.6 | 468.2 |
| 90+ DPD and GIA to GLA ¹ | 0.63% | 0.85% | 0.70% | 0.71% | 0.93% | 1.03% |
| Collective provision to risk-weighted assets ¹ | 0.99% | 0.85% | 0.86% | 0.92% | 0.96% | 1.56% |
| Specific Provision to gross impaired assets ^{3,5} | 30.3% | 38.3% | 45.5% | 44.4% | 39.7% | 45.0% |

- (1) Information is presented on a continuing operations basis including restatement for September 2015 for the demerger of CYBG PLC and the sale of 80% of NAB Wealth's life insurance business to Nippon Life. September 2014 was restated for the sale of GWB, but has not been restated for the demerger of CYBG PLC or the sale of 80% of the NAB Wealth's life insurance business to Nippon Life
- (2) The definition of cash earnings, a discussion of non-cash earnings items and a full reconciliation of the cash earnings to statutory net profit attributable to owners of NAB is set out on page 2 to 8 of the 2020 Full Year Results Announcement
- (3) Including loans and advances at fair value
- (4) Spot balance as at reporting date
- (5) Consists only of impaired assets where a specific provision has been raised and excludes NZ Banking dairy exposures currently assessed as no loss based on collective provision and security held
- (6) Excludes restructuring and customer remediation-related charges

STRONG CAPITAL POSITION

GROUP BASEL III COMMON EQUITY TIER 1 CAPITAL RATIO

(%)



CET1 CONSIDERATIONS

- Strong CET1 of 11.47%, well placed to absorb materially higher RWAs in an economic downturn while continuing to lend and support customers
- 2H20 CET1 benefit of 32bps from FX and MTM on high quality liquids (reflected in cash earnings, reserves & CRWA impacts including derivatives) vs 21bps drag in 1H20
- Completion of MLC Wealth sale³ expected to add ~35bps CET1 (-7bps impact in 2H20 relating to separation cost provision)

DIVIDEND AND OTHER CONSIDERATIONS

- Final dividend of 30cps, flat on 1H20 reflecting strong capital position, continuing uncertain outlook for the impacts of COVID-19, and APRA's revised dividend guidance
 - represents 48% of cash earnings (including large notable items), 50% of statutory earnings (continuing operations)
 - DRP will operate with no discount

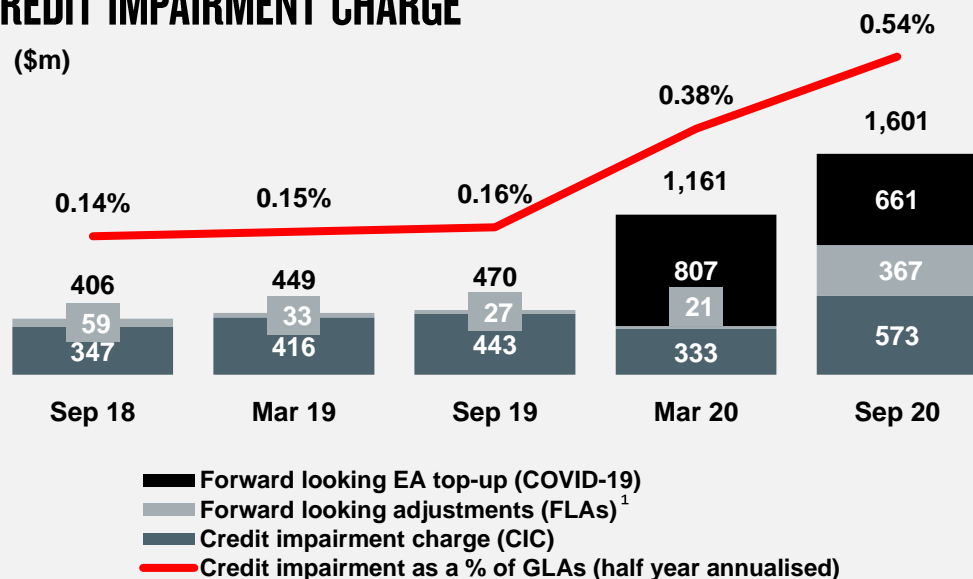
(1) Excludes FX translation

(2) Adjusted for completion of agreed sale of MLC Wealth

(3) ASX announcement on 31 August 2020; the purchase price of \$1,440m comprises \$1,240m in cash proceeds from IOOF and \$200m in the form of a 5-year structured subordinated note in IOOF Expected completion before middle of calendar year 2021, subject to timing of regulatory approvals

HIGHER CREDIT IMPAIRMENT CHARGE AND PROVISIONS

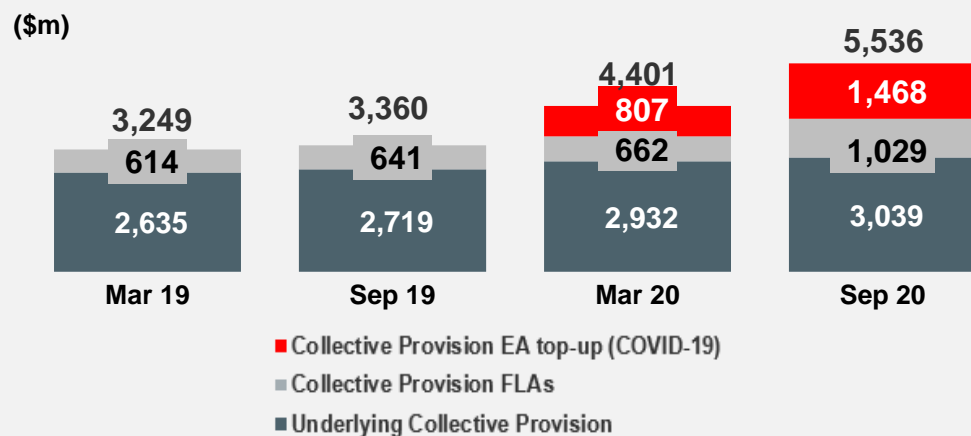
CREDIT IMPAIRMENT CHARGE



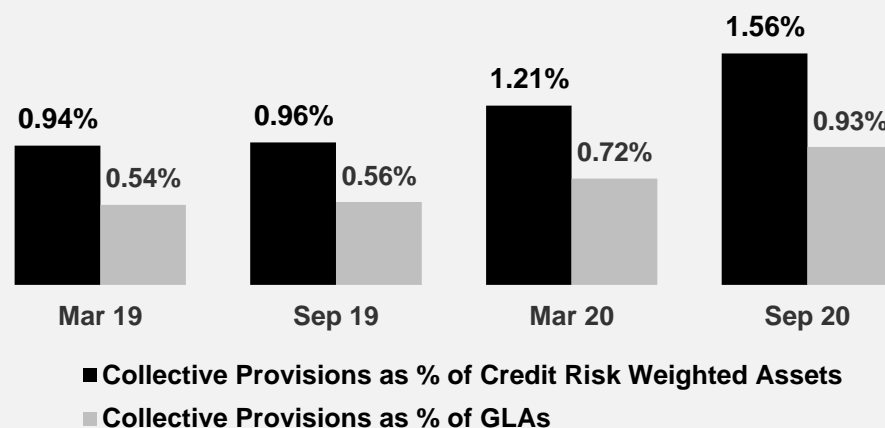
KEY CONSIDERATIONS 1H20 V 2H20

- Underlying CIC² of \$573m or 19bps of GLAs, up 8bps from 1H20 reflecting net impact of re-ratings of performing exposures
- Net increase in target sector forward looking adjustment (FLAs) of \$367m for Aviation, Tourism, Hospitality, Entertainment, Retail Trade and Commercial Property
- Increase in forward looking Economic Adjustment (EA) of \$661m reflecting expectations for a more prolonged economic recovery and material uncertainty around the outlook including the shift from support to stimulus

COLLECTIVE PROVISION BALANCES



COLLECTIVE PROVISION COVERAGE



(1) Represents collective provision Forward Looking Adjustments (FLAs) for targeted sectors

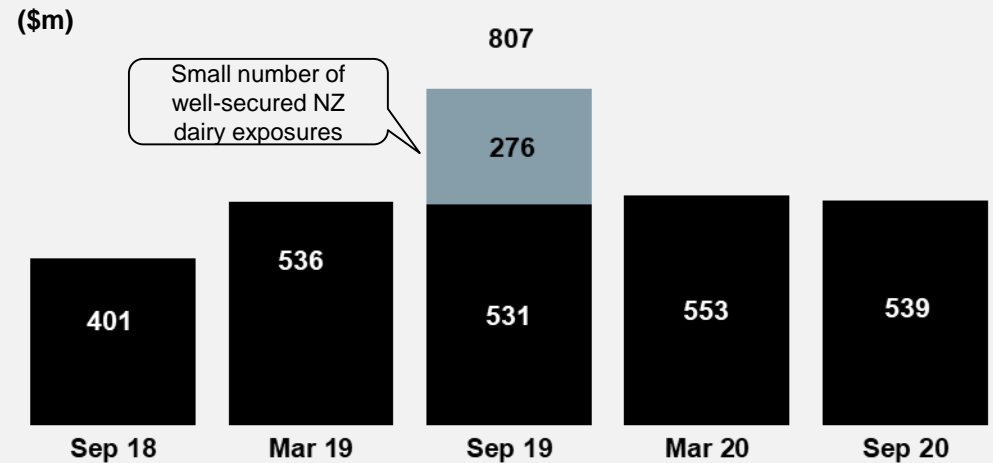
(2) Represents total credit impairment charge less EA top-up and FLA increase as a percentage of GLAs (half year annualised)

MODEST ASSET QUALITY DETERIORATION BUT WATCH LOANS HIGHER

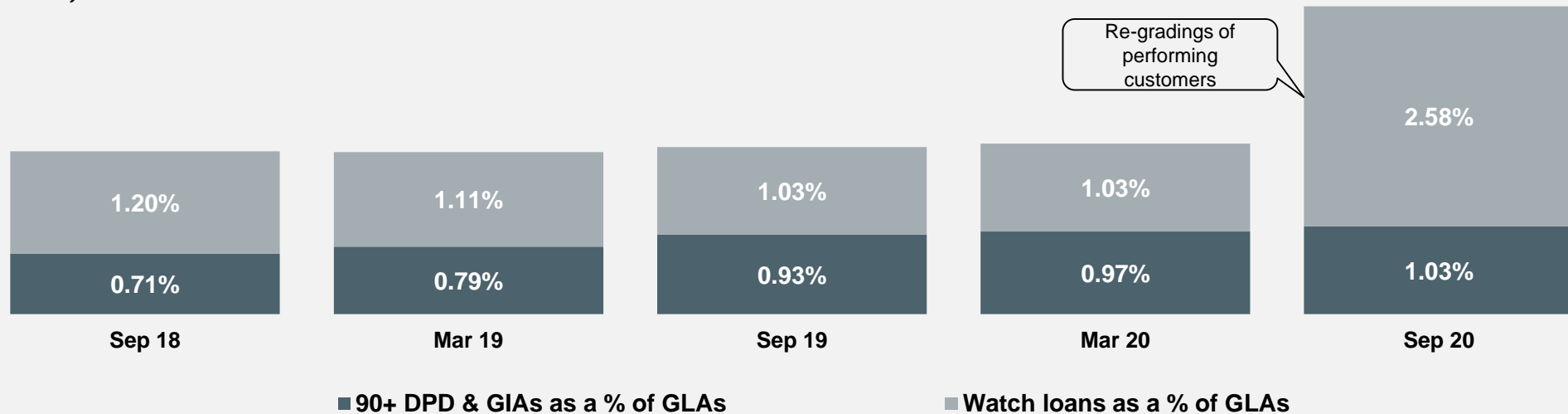
KEY CONSIDERATIONS

- 90+ DPD & GIA ratio uplift largely reflects increased delinquencies in Australian home loan portfolio where customers not part of deferrals
- Eligible deferral customers treated in accordance with APRA guidance, arrears profile frozen from date of deferral
- Material watch loan ratio uplift mainly reflects re-gradings of performing customers in industries heavily impacted by COVID-19 lockdowns e.g. Aviation
- New impaired assets broadly stable

NEW IMPAIRED ASSETS



90+ DPD, GIAs & WATCH LOANS¹ AS A % OF GLAs





(1) Referral to Watch generally triggered by banker annual reviews through the year or as a result of customers experiencing cashflow pressures

SUPPORTING CUSTOMERS AND COLLEAGUES

OUR CUSTOMERS

Numerous COVID-19 support initiatives

- Reduced minimum monthly repayments on cards and **waived late payment fees**
- **Waived certain merchant fees** with extended support provided to Victorian customers

| REPAYMENT DEFERRALS | APPROVED TO DATE | \$BN TOTAL APPROVED |
|---|------------------|---------------------------------|
|  Home loans | >110k | >\$60bn |
|  Business loans | >38k | \$19bn outstanding late October |

~\$2.4bn In new lending to SME & sole traders per month

>\$600m In Business Support Loans provided to date

OUR COLLEAGUES

New roles created

Added
>1,000
customer
support roles

550
roles in B&PB

Increased support and flexibility

- **Cross-skilled service model** rolled out in regional branches
- Completing **regular pulse checks** to get timely feedback on colleague needs

Increased investment

\$50m Investment over 3 years for colleagues to be trained in fundamentals of banking – an industry first

>1.4k Colleagues now industry-certified in cloud



Single leadership program

KEY RISKS

SUMMARY OF KEY RISKS OF INVESTMENT IN NCN5¹

| | |
|--|--|
| NCN5 are not deposit liabilities or Protected Accounts | <ul style="list-style-type: none"> NCN5 do not constitute Protected Accounts or deposit liabilities for the purposes of the Banking Act or any other accounts with NAB and are not guaranteed or insured by any person, government or governmental compensation scheme. |
| Distributions may not be paid | <ul style="list-style-type: none"> There is a risk that Distributions will not be paid, including where the Directors do not resolve to pay a Distribution or where a Payment Condition exists on the Distribution Payment Date. As Distributions are non-cumulative, if a Distribution is not paid then NAB has no liability to pay that Distribution and Holders have no claim or entitlement in respect of such non-payment. Failure to pay a Distribution when scheduled will not constitute an event of default. |
| The Distribution Rate may go up or down | <ul style="list-style-type: none"> The Distribution Rate may go up or down. There is a risk that the return on NCN5 may become less attractive compared to returns on other investments. |
| Market price of NCN5 | <ul style="list-style-type: none"> The market price of NCN5 may go up or down and there is no guarantee NCN5 will trade at or above their Face Value. The price at which NCN5 trade may, for example, be affected by how the Distribution Rate of NCN5 compares to that of other comparable instruments. |
| Liquidity of NCN5 | <ul style="list-style-type: none"> The liquidity of NCN5 may be low, which means that, at certain times, you may be unable to sell your NCN5 at an acceptable price, if at all. |
| Liquidity and price of Ordinary Shares | <ul style="list-style-type: none"> Where NAB Capital Notes 5 are Converted, the market for Ordinary Shares may be less liquid than that for comparable securities issued by other entities at the time of Conversion, or there may be no liquid market at that time. The market price of Ordinary Shares may go up or down due to various factors, including investor perceptions, domestic and worldwide economic conditions, NAB's financial performance and position and transactions affecting the share capital of NAB. As a result, the value of any Ordinary Shares received by Holders upon Conversion may be greater than or less than anticipated when they are issued or thereafter. The market price of Ordinary Shares is also relevant to determining whether or not Conversion will occur (except for Conversions on account of a Loss Absorption Event) and the number of Ordinary Shares you will receive. See slide 12 and Section 2 of the Prospectus for further information on the Conversion or Write Off of NCN5 following a Loss Absorption Event and Section 7 of the Prospectus for the Key Risks. |
| Use of franking credits | <ul style="list-style-type: none"> Distributions paid on NCN5 are expected to be franked at the same rate as dividends paid on the NAB's Ordinary Shares. 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. If any Distribution payment is not fully franked, then the Distribution will be adjusted to reflect the applicable franking rate (see clause 2.5 of the Terms). Holders should be aware that franking is not guaranteed and that their ability to use franking credits will depend on their individual circumstances and applicable Australian tax laws. The extent to which Distributions will be franked will depend on a number of factors, including the Group's capital management plan and the level of profits generated by the Group that will be subject to tax in Australia. Holders should refer to the Australian Taxation Summary in Section 8 of the Prospectus and seek professional advice in relation to their tax position. |

(1) This is a summary of the key risks only. You should read the Prospectus in full before deciding whether to invest (including "Key risks of NAB Capital Notes 5" outlined in Section 7 of the Prospectus). In addition, ASIC has published guidance on hybrid securities on its website which may be relevant to your consideration of NCN5. You can find this guidance by searching "hybrid securities" on ASIC's MoneySmart website at moneysmart.gov.au. In addition, NAB has developed a web-based Hybrid Securities Education Guide to help investors understand some of the typical features and risks associated with an investment in bank hybrid securities. It is available at nab.com.au/hybrideducation. These resources may be helpful when you are considering an investment in bank hybrid securities, such as NCN5, but are not a substitute for reading the Prospectus.

SUMMARY OF KEY RISKS OF INVESTMENT IN NCN5¹ (cont.)

| | |
|--|---|
| NCN5 are perpetual and may not Convert | <ul style="list-style-type: none"> NCN5 have no fixed maturity date but will Convert into Ordinary Shares on 17 December 2029 if they are still on issue on that date and if the Mandatory Conversion Conditions are satisfied. If these conditions are not met on 17 December 2029 and the NCN5 remain on issue, Conversion will occur on the next Distribution Payment Date on which the conditions are satisfied. If the Mandatory Conversion Conditions are never satisfied, there is a risk that NCN5 may never Convert. |
| Holders have no right to request repayment | <ul style="list-style-type: none"> Holders have no right to request that their NCN5 be repaid. Absent a Conversion, Redemption or Resale, in order to realise their investment, Holders would have to sell their NCN5 on the ASX at the prevailing market price. That price may be less than the Face Value, and there may be no liquid market in NCN5 (see Sections 7.1.4 and 7.1.5 of the Prospectus). |
| NAB has certain early Conversion, Redemption and Resale rights | <ul style="list-style-type: none"> Subject to the prior written approval of APRA and certain conditions being met, NAB has the right to: <ul style="list-style-type: none"> Convert, Redeem or Resell NCN5 on 17 December 2027, or following a Tax Event or a Regulatory Event; and Convert NCN5 on a Potential Acquisition Event. Holders should not expect that APRA's approval, if requested, will be given for any Conversion, Redemption or Resale of NCN5. |
| Conversion or Write Off following Loss Absorption Event | <ul style="list-style-type: none"> If Conversion occurs following a Loss Absorption Event, depending on the market price of Ordinary Shares at that time Holders are likely to receive significantly less than \$101 worth of Ordinary Shares per NCN5 and may lose a significant amount of the money they invested in NCN5 as a consequence. In cases where NCN5 are not Converted for any reason within 5 days after the Loss Absorption Event Conversion Date, NCN5 will be Written Off with effect on and from the Loss Absorption Event Conversion Date. If NCN5 are Written Off following a Loss Absorption Event: <ul style="list-style-type: none"> The rights of Holders in relation to those NCN5 will be terminated; Those NCN5 will not be Converted, Redeemed or Resold on any subsequent date; and Holders will not have their capital repaid or receive any further Distributions in relation to those NCN5. |
| Ranking in a winding up of NAB | <ul style="list-style-type: none"> In a winding up of NAB, NCN5 rank ahead of Ordinary Shares, equally amongst themselves and all Equal Ranking Instruments, but behind the claims of all Senior Creditors (including depositors and holders of Tier 2 Capital Instruments). On a winding up of NAB, there is a risk that Holders may lose some or all of the money they have invested in NCN5. See also the above and Section 7.1.14 of the Prospectus in relation to the consequences of a Write Off. If NCN5 are Written Off, Holders will not have their capital repaid and will not be entitled to any return in a winding up. |
| NAB may issue further securities or incur other indebtedness | <ul style="list-style-type: none"> There is no limit on the amount of senior debt, deposits or other obligations or securities (whether ranking equally with, or in priority to or junior to NCN5) that may be incurred or issued by NAB at any time or the incurring or guaranteeing by NAB of any indebtedness, which may affect Holders' ability to be repaid on a winding up of NAB. |

(1) This is a summary of the key risks only. You should read the Prospectus in full before deciding whether to invest (including "Key risks of NAB Capital Notes 5" outlined in Section 7 of the Prospectus). In addition, ASIC has published guidance on hybrid securities on its website which may be relevant to your consideration of NCN5. You can find this guidance by searching "hybrid securities" on ASIC's MoneySmart website at moneysmart.gov.au. In addition, NAB has developed a web-based Hybrid Securities Education Guide to help investors understand some of the typical features and risks associated with an investment in bank hybrid securities. It is available at nab.com.au/hybrideducation. These resources may be helpful when you are considering an investment in bank hybrid securities, such as NCN5, but are not a substitute for reading the Prospectus.

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THANK YOU