

NAB INVITES YOU

On 16 November 2020, National Australia Bank Limited (**NAB**) announced an offer of NAB Capital Notes 5 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 Capital Notes 2, NAB Capital Notes 3, NAB Convertible Preference Shares II (**CPS II**) and NAB Subordinated Notes 2 as at 7.00pm (Melbourne time) on 11 November 2020 with a registered address in Australia, to apply to participate in the Securityholder Offer.

Reinvestment Offer – CPS II holders

On 5 November 2020, NAB issued a redemption notice confirming that on 17 December 2020 NAB will redeem all CPS II for \$100 per CPS II (the **CPS II Redemption Price**). NAB invites holders of CPS II as at 7.00pm (Melbourne time) on 11 November 2020 with a registered address in Australia and who meet certain other criteria (**Eligible CPS II Holders**) to apply to participate in the Reinvestment Offer. The Reinvestment Offer provides Eligible CPS II Holders the option to reinvest their CPS II into NAB Capital Notes 5 and maintain an ongoing investment in NAB.

Further details

Full details of the Securityholder Offer and Reinvestment Offer are contained in the prospectus for the Offer issued by NAB dated 16 November 2020 (as amended or replaced from time to time, the **Prospectus**). In particular, see section 3 of the Prospectus for more information on the Reinvestment Offer, the options available to Eligible CPS II Holders and the key differences between CPS II and NAB Capital Notes 5. It is important that you read and consider the Prospectus in full before applying.

If you have any questions in relation to the Offer,
visit www.nab.com.au/nabcapitalnotes5
or call **1300 367 647** (within Australia)
or **+61 3 9415 4299** (outside Australia)
(Monday to Friday 8.00am – 7.30pm Melbourne time)



NAB CAPITAL NOTES 5

Securityholder and
Reinvestment Offers
Register now

NAB Capital Notes 5 are convertible notes issued by NAB. NAB Capital Notes 5 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 5.

Therefore, it is possible that NAB Capital Notes 5 could remain on issue indefinitely in which case, the Face Value will not be repaid. There are certain events that could occur while NAB Capital Notes 5 are on issue which may result in NAB Capital Notes 5 being Converted into NAB Ordinary Shares, Redeemed or Resold for cash, or Written Off.

More information on NAB Capital Notes 5 and those events is contained in the Prospectus.

Introducing NAB CAPITAL NOTES 5

Distribution payments

NAB Capital Notes 5 are scheduled to pay quarterly floating rate Distributions in cash subject to the satisfaction of certain conditions. The Distributions are expected to be franked at the same rate as dividends paid on 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.

A Distribution will be paid if the Directors resolve to pay it, and 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 3.50% to 3.70% per annum.

Distributions are non-cumulative.

Minimum Application Amount

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

If you are an Eligible CPS II Holder and own 50 CPS II or fewer, you can still apply to participate in the Reinvestment Offer but you must apply to reinvest ALL of your CPS II. Eligible CPS II Holders can also apply for additional NAB Capital Notes 5 as part of the Securityholder Offer.

Allocation process

If there is excess demand for NAB Capital Notes 5, final allocations may be scaled back. Where the number of NAB Capital Notes 5 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.

Further details on the timing of the Offer are set out in the Prospectus.

HOW TO APPLY

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 www.nab.com.au/nabcapitalnotes5, where you can also register to receive email updates about the Offer. Please ensure you also read the Replacement Prospectus that will be issued when the Offer opens, which will contain the Margin.

2. Apply

After the Offer opens on 24 November 2020, submit an online Application Form via the Offer website at www.nab.com.au/nabcapitalnotes5 by 5.00pm (Melbourne time) on 11 December 2020. You will require either your application number (shown on the reverse of this brochure) or your SRN/HIN.

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

3. Payment

You must pay your Application Money using BPAY®. Payments by cash or cheque will not be accepted for this Offer.

If you are applying under the Reinvestment Offer, you will not need to pay any Application Money unless you are also applying for additional NAB Capital Notes 5 under the Securityholder Offer.

Please see Section 4 of the Prospectus for complete information on the application process.

Paper copies of the Prospectus will not be made available and all Application Forms must be completed online. Payments of Application Money must be made by using BPAY® only.

®Registered to BPAY Pty Limited ABN 69 079 137 518

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. Applications may only be made under the Replacement Prospectus.

This brochure is not an offer of, or invitation to apply for, NAB Capital Notes 5. The offer of NAB Capital Notes 5 will be made in the Prospectus. Anyone wishing to apply for NAB Capital Notes 5 will need to read the Prospectus and complete the online Application Form. Unless otherwise defined, capitalised terms used in this brochure have the same meanings given to them in the Prospectus.

This brochure and the information it contains are factual, are not investment or financial advice and have 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 5 are contained in the Terms (set out in Appendix A to the Prospectus). It is important that you read the Prospectus in full, and consider the Terms, before deciding whether to invest in NAB Capital Notes 5.

You should also consider the risks that could affect the performance of NAB Capital Notes 5, including Distribution Rate risk, risks relating to your ability to use or benefit from franking credits in respect of Distributions, 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 5 (including the market price). If you have any questions about NAB Capital Notes 5 or the Offer, you should seek advice from your financial adviser or other professional adviser.

NAB Capital Notes 5 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 5 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, 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 registration requirements of the Securities Act. 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 5 within the United States or to any U.S. Person may violate the registration requirements of the Securities Act if made within 40 days after the Closing Date.

NAB is responsible for the financial services it provides under its AFSL. NAB may provide financial services in relation to the Offer on behalf of NAB Group companies which are participants of the ASX, and NAB does not guarantee the obligations or performance of those companies or the products or services which they offer. NAB and certain NAB Group companies and their associates may receive a fee or commission in relation to the Offer which vary between 0.50% and 1.50% of the amount you invest. In addition, if NAB or a NAB Group company provide other services in connection with the Offer, additional remuneration or benefits may be payable in relation to these. Any fee, commission, remuneration or benefits may be shared by NAB and the NAB Group companies. For example, if one of them receives a fee or commission for acting as Co-Manager it might pay that amount to another NAB Group company.