



Wednesday, 20 March 2019

ASX ANNOUNCEMENT

NAB closes the NAB Capital Notes 3 offer and completes resale of NAB CPS

National Australia Bank (NAB) has successfully completed:

- the offer of NAB Capital Notes 3 (Offer). The Offer resulted in NAB issuing 18,740,582 NAB Capital Notes 3 at \$100 each, raising approximately \$1,874 million; and
- the resale of all Convertible Preference Shares issued by NAB on 20 March 2013 (CPS) to the CPS nominated purchaser in accordance with resale notice issued by NAB on 11 February 2019 (Resale).

Following the Resale, \$750 million of CPS were converted into 30,185,463 Ordinary Shares based on a price of \$24.8464 per Ordinary Share, being the volume weighted average price of Ordinary Shares on 23 trading days in the period between 11 February 2019 and 19 March 2019. The increase in the number of Ordinary Shares on issue as a result of the conversion adds approximately 19 basis points to NAB's Common Equity Tier 1 capital ratio on a Level 2 basis. The remaining balance of approximately \$764 million CPS were redeemed.

Offer allocation policy

- **Reinvestment Offer** – All valid Applications under the Reinvestment Offer were accepted in full.
- **Securityholder Offer** – Applications under the Securityholder Offer were scaled back and NAB Capital Notes 3 were allocated on the following basis:
 - The first \$30,000 of each Application payment was accepted in full; and
 - 20% of any Application payment in excess of \$30,000 was accepted (with amounts rounded up to the nearest \$1,000 where required).
- **Broker Firm Offer and Institutional Offer** – Allocations to Syndicate Brokers under the Broker Firm Offer were determined pursuant to the Bookbuild which completed on 15 February 2019, with a scale back applied.

Applications for which sufficient funds were not received did not receive an allocation.

Confirmation of allocations

Applicants who applied under the Securityholder Offer or directly to NAB under the Reinvestment Offer can obtain information about their allocation of NAB Capital Notes 3 by calling the NAB Information Line on 1300 367 647, between 8.00am and 7.30pm (Melbourne time) Monday to Friday until Wednesday, 27 March 2019.

Applicants under the Broker Firm Offer should confirm their allocation of NAB Capital Notes 3 with their Syndicate Broker. Successful Institutional Investors were allocated NAB Capital Notes 3 under the Institutional Offer.

Deferred settlement trading on the Australian Securities Exchange (ASX)

NAB Capital Notes 3 are expected to commence trading on the ASX on a deferred settlement basis tomorrow, Thursday 21 March 2019, under the code 'NABPF'.

All applicants are responsible for confirming the number of NAB Capital Notes 3 allocated to them prior to selling any NAB Capital Notes 3. Applicants who sell NAB Capital Notes 3 before receiving their Holding Statement or CHESS confirmation do so at their own risk.

Trading of NAB Capital Notes 3 on a normal T+2 settlement basis is expected to commence on Wednesday, 27 March 2019.

Refunds and Holding Statements

Refunds relating to the scale back of the Securityholder Offer are expected to be processed on Thursday, 21 March 2019. Holding Statements which set out the number of NAB Capital Notes 3 issued to each successful applicant are expected to be despatched by Tuesday, 26 March 2019.

Issue Date VWAP

For the purposes of the Conversion calculations, as outlined in the NAB Capital Notes 3 Prospectus, the Issue Date VWAP is \$25.0247.

If a Non-Viability Trigger Event occurs and NAB converts NAB Capital Notes 3 into Ordinary Shares, the number of Ordinary Shares that a Holder will receive on Conversion is limited to the Maximum Conversion Number. Based on the Issue Date VWAP and the Face Value (being \$100 per NAB Capital Note 3), the Maximum Conversion Number is 19.9803 Ordinary Shares per NAB Capital Note 3.

Distribution Rate for first Distribution Period

The Distribution Rate for the first Distribution Period is 4.0740% per annum. Subject to the terms of the NAB Capital Notes 3, holders of NAB Capital Notes 3 on 7 June 2019 will receive a Distribution of \$0.9934 for each NAB Capital Note 3 for the first Distribution Period.

Newspaper notices

NAB expects to publish tomorrow an advertisement in each of The Australian Financial Review and The Australian regarding the close of, and the basis of allocation under, the Securityholder Offer and Reinvestment Offer for NAB Capital Notes 3. A copy of this advertisement is attached to this announcement.

Top 20 holders

A statement of the 20 largest holders of NAB Capital Notes 3 and a distribution schedule for the NAB Capital Notes 3 are attached to this announcement.

NAB Capital Notes 3 issued to directors

1,500 NAB Capital Notes 3 have been issued to directors of NAB and their associates.

For information about your allocation of NAB Capital Notes 3 or about the Offer

Applicants under the Securityholder Offer and Reinvestment Offer may call the **NAB Information Line on 1300 367 647** (within Australia) or on +61 3 9415 4299 (outside Australia) between 8.00am and 7.30pm (Melbourne time) Monday to Friday until Wednesday, 27 March 2019 to confirm their allocation of NAB Capital Notes 3.

For further information:

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Unless otherwise defined, capitalised terms in this ASX announcement have the meaning given to them in the NAB Capital Notes 3 Prospectus dated 19 February 2019 (Prospectus).

The information provided in this announcement is not investment advice and has been prepared without taking into account individual investment objectives, financial situations or particular needs (including financial and taxation issues). Investors should consider the Prospectus and obtain advice from a financial adviser or other professional adviser in before making any investment decision in connection with NAB Capital Notes 3.

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 3 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 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) unless the NAB Capital Notes 3 are registered under the Securities Act or an exemption from the registration requirements of the Securities Act is available.

IMPORTANT NOTICE TO ALL APPLICANTS UNDER THE NAB CAPITAL NOTES 3 OFFER



National Australia Bank Limited ABN 12 004 044 937 (NAB) is pleased to announce that the offer of NAB Capital Notes 3 (Offer) has successfully closed, raising approximately \$1,874 million. Through the Offer, 18,740,582 NAB Capital Notes 3 have been issued at \$100 each.

NAB Capital Notes 3 Allocation Policy

The NAB Capital Notes 3 allocation policy is described below.

- **Reinvestment Offer** – All valid Applications under the Reinvestment Offer were accepted in full.
- **Securityholder Offer** – Applications under the Securityholder Offer were scaled back and NAB Capital Notes 3 were allocated on the following basis:
 - The first \$30,000 of each Application payment was accepted in full; and
 - 20% of any Application payment in excess of \$30,000 was accepted (with amounts rounded up to the nearest \$1,000 where required).
- **Broker Firm Offer** – A scale back was applied to Applications under the Broker Firm Offer.

Applications for which sufficient funds were not received did not receive an allocation.

Applicants who applied under the Securityholder Offer or directly to NAB under the Reinvestment Offer can obtain information about their

allocation of NAB Capital Notes 3 by calling the NAB Information Line on the numbers listed under the 'Further Information' section of this advertisement.

Applicants under the Broker Firm Offer should confirm their allocation of NAB Capital Notes 3 with their Syndicate Broker. Successful Institutional Investors were allocated NAB Capital Notes 3 under the Institutional Offer.

Deferred Settlement Trading

NAB Capital Notes 3 are expected to commence trading on the Australian Securities Exchange (ASX) on a deferred settlement basis today under the code "NABPF". Trading of NAB Capital Notes 3 on a normal settlement basis is expected to commence on Wednesday, 27 March 2019.

All Applicants are responsible for confirming the number of NAB Capital Notes 3 allocated to them prior to selling any NAB Capital Notes 3. Applicants who sell NAB Capital Notes 3 before receiving their Holding Statement or CHES confirmation do so at their own risk.

Refunds and Holding Statements

Refunds relating to the scale back of the Securityholder Offer are expected to be processed on Thursday, 21 March 2019. Holding Statements which set out the number of NAB Capital Notes 3 issued to each successful Applicant are expected to be despatched by Tuesday, 26 March 2019.

Further Information

Applicants who applied under the Securityholder Offer or directly to NAB under the Reinvestment Offer may call the NAB Information Line on **1300 367 647** (within Australia) or on **+61 3 9415 4299** (outside Australia) between 8.00am and 7.30pm (Melbourne time) Monday to Friday until Wednesday, 27 March 2019 to confirm their allocation of NAB Capital Notes 3.

For more information

Please visit
nab.com.au/mcn3offer
or call **1300 367 647**
(within Australia) or
+61 3 9415 4299
(outside Australia)

Unless otherwise defined capitalised terms in this advertisement have the same meaning given to them in the Prospectus dated 19 February 2019. The information in this advertisement 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). If you have any questions, you should seek advice from your financial adviser or other professional adviser.

NAB Capital Notes 3 are not 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 Group or by any other party.

NAB Capital Notes 3 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 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) unless the NAB Capital Notes 3 are registered under the Securities Act or an exemption from the registration requirements of the Securities Act is available. 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. Persons.

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Top Holders Snapshot - Ungrouped
Composition : PF

Rank	Name	Address	Units	% of Units
1.	BNP PARIBAS NOMINEES PTY LTD <AGENCY LENDING DRP A/C>		3,000,000	16.01
2.	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED		1,274,305	6.80
3.	NATIONAL NOMINEES LIMITED		316,249	1.69
4.	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED - A/C 2		309,688	1.65
5.	DIMBULU PTY LTD		200,000	1.07
6.	NAVIGATOR AUSTRALIA LTD <MLC INVESTMENT SETT A/C>		167,429	0.89
7.	J P MORGAN NOMINEES AUSTRALIA PTY LIMITED		136,677	0.73
8.	NETWEALTH INVESTMENTS LIMITED <WRAP SERVICES A/C>		131,343	0.70
9.	CITICORP NOMINEES PTY LIMITED		122,640	0.65
10.	NULIS NOMINEES (AUSTRALIA) LIMITED <NAVIGATOR MAST PLAN SETT A/C>		107,152	0.57
11.	BNP PARIBAS NOMINEES PTY LTD HUB24 CUSTODIAL SERV LTD DRP		102,356	0.55
12.	BNP PARIBAS NOMS PTY LTD <DRP>		92,734	0.49
13.	CAPI PTY LTD		90,000	0.48
14.	XINGDONG INVESTMENT GROUP PTY LTD <LIANG FAMILY A/C>		81,000	0.43
15.	INVIA CUSTODIAN PTY LIMITED <INCOME POOL A/C>		71,400	0.38
16.	WILLIMBURY PTY LTD		58,790	0.31
17.	JDB SERVICES PTY LTD <RAC & JD BRICE INVEST A/C>		51,170	0.27
18.	BALMORAL FINANCIAL INVESTMENTS PTY LTD <NO 2 A/C>		50,277	0.27
19.	IOOF INVESTMENT MANAGEMENT LIMITED <IPS SUPER A/C>		50,207	0.27
20.	BT PORTFOLIO SERVICES LIMITED <MS HUAHUA YU-NON SIV A/C>		50,000	0.27
Totals: Top 20 holders of CAPITAL NOTES 3			6,463,417	34.49
Total Remaining Holders Balance			12,277,165	65.51

Range of Units Snapshot

Composition : PF

Range	Total holders	Units	% of Issued Capital
1 - 1,000	16,237	5,576,718	29.76
1,001 - 5,000	1,819	3,934,338	20.99
5,001 - 10,000	153	1,162,746	6.20
10,001 - 100,000	89	2,198,941	11.73
100,001 - 9,999,999,999	11	5,867,839	31.31
Rounding			0.01
Total	18,309	18,740,582	100.00

Unmarketable Parcels

Minimum Parcel Size	Holders	Units
Minimum \$ 500.00 parcel at \$ 0.0000 per unit	0	0