



Friday, 17 May 2019

NATIONAL AUSTRALIA BANK LIMITED

**ISSUE OF A\$1,000,000,000 SUBORDINATED FLOATING RATE MEDIUM TERM NOTES
DUE MAY 2029**

NOTICE UNDER SECTION 708A(12H)(e) CORPORATIONS ACT 2001 (CTH)

Pursuant to its domestic Debt Issuance Programme, National Australia Bank Limited ("**Issuer**") will today issue A\$1,000,000,000 subordinated floating rate medium term notes due May 2029 (the "**Subordinated MTNs**").

The Subordinated MTNs convert into fully paid ordinary shares of the Issuer (or, in certain circumstances, an Approved NOHC) where the Australian Prudential Regulation Authority ("**APRA**") determines this to be necessary on the grounds that the Issuer would otherwise become non-viable.

This notice is a cleansing notice prepared for the purposes of section 708A(12H)(e) of the Corporations Act 2001 (Cth) ("**Corporations Act**") (as inserted by ASIC Corporations (Regulatory Capital Securities) Instrument 2016/71) to enable fully paid ordinary shares in the Issuer ("**Ordinary Shares**") or an Approved NOHC issued on conversion of the Subordinated MTNs to be freely tradeable without further disclosure and includes:

- in schedule 1, a description of the commercial particulars of the Subordinated MTNs, extracted from the Subordinated MTNs Pricing Supplement ("**Pricing Supplement**"); and
- in schedule 2, a description of the rights and liabilities attaching to Ordinary Shares.

A description of the rights and liabilities attaching to the Subordinated MTNs is contained in the "MTN Terms and Conditions" section of the Information Memorandum for the Issuer's domestic Debt Issuance Programme dated 31 August 2016 ("**Information Memorandum**") that was lodged with the Australian Securities Exchange ("**ASX**") on 1 September 2016.

Words and expressions defined in the Pricing Supplement or the MTN Terms and Conditions have the same meanings in this cleansing notice unless the contrary intention appears.

The issue of Subordinated MTNs by the Issuer will not have a material impact on the Issuer's financial position. If a Non-Viability Trigger Event occurs and the Issuer issues Ordinary Shares, the impact of Conversion on the Issuer would be to increase the Issuer's shareholders' equity. The number of Ordinary Shares issued on Conversion is limited to the Maximum Conversion Number. The Maximum Conversion Number is 200.4008 Ordinary Shares per Subordinated MTN (with a denomination of A\$1,000), based on an Issue Date VWAP of A\$24.95.

As a disclosing entity, the Issuer is subject to regular reporting and disclosure obligations under the Corporations Act and ASX Listing Rules. Broadly, these obligations require the Issuer to prepare and lodge with the Australian Securities & Investments Commission ("**ASIC**") both yearly and half yearly financial statements, to report on its operations during the relevant accounting periods, and to obtain audit or review reports from its auditor in respect of those accounting periods.

Copies of documents lodged with ASIC may be obtained from or inspected at an ASIC office.

The Issuer must ensure that the ASX is continuously notified of information about specific events and matters as they arise for the purposes of ASX making the information available to the Australian securities market. In this regard, the Issuer has an obligation under the Corporations Act and ASX Listing Rules (subject to certain exceptions) to notify the ASX immediately of any information concerning it of which it

becomes aware, and which a reasonable person would expect to have a material effect on the price or value of its quoted securities.

The Issuer will provide a copy of any of the following documents free of charge to any person who requests a copy before the Subordinated MTNs are issued:

- the Issuer's annual financial report for the year ended 30 September 2018;
- the Issuer's consolidated financial report for the half year ended 31 March 2019;
- any continuous disclosure notices given by the Issuer in the period after the lodgement of the annual financial report of the Issuer for the year ended 30 September 2018 and before the date of this notice; and
- the Issuer's constitution.

All written requests for copies of the above documents should be addressed to:

Company Secretary
National Australia Bank Limited
Level 1
800 Bourke Street
Docklands VIC 3008

These documents are also available at www.nabgroup.com.

This Notice is not a prospectus or other disclosure document in relation to the Subordinated MTNs, and does not constitute an offer or invitation for the Subordinated MTNs or any Ordinary Shares for issue or sale in Australia. Subordinated MTNs are only available for sale to persons in Australia in circumstances where disclosure is not required in accordance with Part 6D.2 of the Corporations Act and the sale is not to a retail client for the purposes of Chapter 7 of the Corporations Act.

NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION IN WHOLE OR IN PART IN OR INTO THE UNITED STATES.

The Subordinated MTNs have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**"), or any other applicable U.S. state securities laws and, accordingly, may not be offered, sold, pledged or otherwise transferred within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S of the Securities Act) except (i) pursuant to an exemption from registration under the Securities Act or to an effective registration statement under the Securities Act covering the Subordinated MTNs and (ii) in accordance with all applicable state securities laws of any state of the United States. This notice does not constitute an offer or invitation to any U.S. persons.

Schedule 1 – Description of the commercial particulars of the Subordinated MTNs

This description is extracted from the Pricing Supplement.

1	Issuer:	National Australia Bank Limited
2	Type of Issue:	Syndicated Issue
3	Public Offer Test Compliant:	It is the Issuer's intention that this issue of MTNs will be issued in a manner which will seek to satisfy the Public Offer Test
4	Relevant Dealer:	National Australia Bank Limited (ABN 12 004 044 937)
5	Lead Manager:	National Australia Bank Limited (ABN 12 004 044 937)
6	Registrar:	Austraclear Services Limited (ABN 28 003 284 419) 20 Bridge Street Sydney NSW
7	Calculation Agent:	National Australia Bank Limited (ABN 12 004 044 937) Level 26, 255 George Street Sydney NSW
8	If to form a single Series with an existing Series, specify date on which all MTNs of the Series become fungible, if not the Issue Date:	Not applicable.
9	Aggregate Principal Amount of Tranche:	A\$1,000,000,000
10	Aggregate Principal Amount of Series (including the Tranche)	A\$1,000,000,000
11	If interchangeable with existing Series:	Not applicable.
12	Issue Date:	17 May 2019
13	Purchase Price:	100.00 per cent of the Aggregate Principal Amount of Tranche
14	Denomination:	A\$1,000 (Subject to Condition 13A.3(b)) <ul style="list-style-type: none"> a) The minimum aggregate consideration for offers or transfers of the Subordinated MTNs in Australia must be at least A\$500,000 (disregarding any moneys lent by the offeror, the transferor or their associates to the transferee), unless the offer or invitation resulting in the transfer does not otherwise require disclosure in accordance with the Part 6D.2 or Chapter 7 of the Corporations Act of Australia and is not an offer or invitation to a retail client for the purposes of section 761G of the Corporations Act of Australia.

- b) The minimum aggregate consideration for offers or transfers of the Subordinated MTNs in the European Economic Area is A\$200,000.

15	Type of MTNs	Subordinated Floating Rate
16	If MTNs are interest-bearing, specify whether they are:	
	(a) Fixed Rate:	No
	(b) Floating Rate:	Yes
	(c) Other MTNs:	No
17	If the MTNs are Fixed Rate, specify:	Applicable: No
18	If the MTNs are Floating Rate, specify:	Applicable: Yes
	(a) Interest Commencement Date, if not Issue Date:	Issue Date
	(b) Interest Rate:	Bank Bill Rate Determination applies The Interest Rate for each Interest Period is the aggregate of the Bank Bill Rate and the Margin (to four decimal places)
	(c) Interest Payment Dates:	Each 17 February, 17 May, 17 August and 17 November commencing 17 August to and including the Maturity Date, subject to adjustment in accordance with the Business Day Convention
	(d) Business Day Convention:	Modified Following Business Day Convention
	(e) Margin:	+2.15% per annum
	(f) Minimum/Maximum Interest Rate:	Not applicable
	(g) Day Count Fraction:	Actual/365 (Fixed)
	(h) Fallback Interest Rate:	Not applicable
	(i) Linear Interpolation:	Applicable: No
	[If ISDA Determination applies, specify]	
	(j) Floating Rate Option:	Not applicable
	(k) Designated Maturity:	Not applicable
	(l) Reset Date:	Not applicable
	[If Screen Rate Determination applies, specify]	
	(m) Relevant Screen Page:	Not applicable
	(n) Relevant Time:	Not applicable
	(o) Reference Rate:	Not applicable
	(p) Reference Banks:	Not applicable

	(q) Relevant Financial Centre:	Not applicable
	(r) Interest Determination Date:	Not applicable
19	If the MTNs are not Fixed Rate or Floating Rate, is another rate or amount of interest payable?	Applicable: No
20	Accrual of interest:	No change to Condition 11.6 of the MTN Terms and Conditions:
21	Default Rate:	Not applicable
22	Overdue Rate:	Applicable: No
23	Amortisation Yield:	Not applicable
24	Maturity Date:	Interest Payment Date falling in or nearest to May 2029
25	Redemption Amount:	Outstanding Principal Amount
26	Early redemption at the option of the Issuer (Issuer call):	
	(a) Are the MTNs redeemable before their Maturity Date at the option of the Issuer under Condition 12.6?	Applicable: Yes
	(b) If the amount payable on redemption is not the Redemption Amount together with any interest accrued on the MTNs, insert amount or full calculation provisions:	Not applicable
	(c) Specify minimum notice period for the exercise of the call option:	30 days
	(d) Specify maximum notice period for the exercise of the call option:	60 days
	(e) Early Redemption Date (Issuer Call):	The Interest Payment Date scheduled to fall on 17 May 2024 and each Interest Payment Date thereafter up to but excluding the Maturity Date
	(f) Specify any additional (or modifications to) conditions to exercise of option:	Not applicable
	(g) Specify whether redemption at Issuer's option is permitted in respect of some only of the MTNs and, if so, any minimum aggregate principal amount and the means by which MTNs will be selected for redemption:	Yes, the Issuer may redeem all or some Subordinated MTNs at its discretion under Condition 12.6
	(h) Specify if MTN Holders are not to receive accrued interest on early redemption at the option of the Issuer:	Not applicable
27	Early redemption at the option of MTN Holders	

(investor put):

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|-----------|--|-----------------|
| | (a) Are the MTNs redeemable before their Maturity Date at the option of MTN Holders under Condition 12.5? | Applicable: No |
| | (b) If the amount payable on redemption is not the Redemption Amount together with any interest accrued on the MTNs, insert amount or full calculation provisions: | Not applicable |
| | (c) Specify minimum notice period for exercise of put option: | Not applicable |
| | (d) Specify any relevant conditions to exercise of option: | Not applicable |
| | (e) Specify if MTN Holders are not to receive accrued interest on early redemption at their option: | Not applicable |
| 28 | Early redemption for taxation reasons | |
| | (a) If the amount payable on redemption is not the Redemption Amount together with accrued interest (if any) thereon of the MTNs, insert amount or full calculation provisions: | Not applicable |
| | (b) Specify if MTN Holders are not to receive accrued interest on early redemption for taxation reasons: | Not applicable |
| 29 | Early Redemption of Subordinated MTNs for other taxation reasons | |
| | (a) Are the Subordinated MTNs redeemable before their Maturity Date at the option of the Issuer under Condition 12.3? | Applicable: Yes |
| | (b) If the amount payable on redemption is not the Redemption Amount together with accrued interest (if any) thereon of the Subordinated MTNs, insert amount or full calculation provisions: | Not applicable |
| | (c) Specify if Subordinated MTN Holders are not to receive accrued interest on early redemption for loss of tax deductibility: | Not applicable |
| 30 | Early redemption of Subordinated MTNs for regulatory reasons | |
| | (a) Are the Subordinated MTNs redeemable by the Issuer under Condition 12.4: | Applicable: Yes |
| | (b) If the amount payable on redemption is not the Redemption Amount together with any interest accrued on the Subordinated MTNs, insert amount or | Not applicable |

full calculation provisions:

	(c) Specify minimum notice period for the exercise of this call option:	30 days
	(d) Specify maximum notice period for the exercise of this call option:	60 days
	(e) Specify whether redemption at Issuer's option is permitted in respect of some only of the Subordinated MTNs and, if so, any minimum aggregate principal amount and the means by which Subordinated MTNs will be selected for redemption:	Yes, the Issuer may redeem all or some Subordinated MTNs at its discretion under Condition 12.4
	(f) Specify if Subordinated MTN Holders are not to receive accrued interest on early redemption at the option of the Issuer:	Not applicable
31	Is the Write-Off option of the Subordinated MTNs applicable under Condition 13A.11?	Applicable: No
32	Is the Conversion option of the Subordinated MTNs applicable under Condition 13A.4?	Applicable: Yes
	(a) CD:	1%
	(b) VWAP Period:	As specified in the Schedule to the MTN Terms and Conditions
	(c) Issue Date VWAP:	As specified in the Schedule to the MTN Terms and Conditions
33	Redemption of Zero Coupon MTNs:	Not applicable
34	Withholding tax exemptions	Conditions 15.3(a) and (b) are applicable
35	Specified Currency:	Australian dollars
36	Other relevant terms and conditions:	Not applicable
37	ISIN:	AU3FN0048195
38	Common Code:	199645650
39	Common Depository:	Not applicable
40	U.S. selling restrictions:	Regulation S Compliance Category 2
41	Other selling restrictions:	Refer to the Attachment to this Pricing Supplement
42	Listing:	Not applicable
43	Additional (or modifications to) Events of Default:	Not applicable
44	Additional or alternate newspapers:	Not applicable

45	I&P Agent (Offshore):	Not applicable
46	Stabilisation Manager:	Not applicable
47	Other amendments	<p>a) The Information Memorandum is deemed to incorporate by reference the following ASX announcement made by National Australia Bank Limited: 2 May 2019, "NAB releases Luxembourg Transparency Law disclosures".</p> <p>b) The Information Memorandum is supplemented by the inclusion of the following paragraph after the first paragraph under the heading "Clearing System" on page 21 of the Information Memorandum:</p> <p>"Subordinated MTNs will be lodged in Austraclear. A person eligible and wishing to invest in Subordinated MTNs who is not an Austraclear Participant will have to maintain arrangements with an Austraclear Participant in order to hold an interest in Subordinated MTNs or in any ordinary shares in the Issuer issued on conversion of the Subordinated MTNs in accordance with the Conditions (including the Schedule thereto). The Issuer has no responsibility for these arrangements or for the performance by any Austraclear Participant of its obligations."</p>

Schedule 2 – Description of the rights and liabilities attaching to Ordinary Shares

The constitution of the Issuer (“**Constitution**”) sets out the rights and liabilities that attach to Ordinary Shares. These rights and liabilities are also regulated by the Corporations Act, the ASX Listing Rules and general law.

The following is a non-exhaustive summary of the main rights attaching to Ordinary Shares:

- on a poll, the right to one vote per Ordinary Share (or a fraction of a vote in proportion to the amount paid up on that Ordinary Share);
- the right to transfer Ordinary Shares, in accordance with the Constitution;
- subject to the rights of holders carrying preferred rights, the right to receive dividends in proportion to the amount paid up on that Ordinary Share, if and when the Directors determine to pay them;
- the right to receive information required to be distributed under the Corporations Act and the ASX Listing Rules; and
- subject to the rights of holders carrying preferred rights, the right to participate in a surplus of assets on a winding up of the Issuer.

NAB’s ability to pay a dividend may be restricted by Australian law and by the terms of prior ranking securities.