



Distribution Statement

005018 000 NAB



B & G TRELOAR PTY LTD
<B & G TRELOAR S/F A/C>
C/- AUSTRALIAN EXEC TRUSTEES
GPO BOX 546
ADELAIDE SA 5001

Need assistance?

www.nabgroup.com/shareholder

(in Australia) 1300 367 647
(outside Australia) +61 3 9415 4299

Holder Identification Number (HIN)

HIN WITHHELD

Summary of Key Information

Payment Date	25 March 2019
Record Date	15 March 2019
TFN/ABN Status	Quoted
ASX Code	NABPC
Direct Credit Reference No.	811487

NAB Capital Notes Distribution - March 2019 Quarter

We are pleased to confirm the distribution payment on your NAB Capital Notes. The Distribution Period commenced on 24 December 2018 and ends on (but excludes) 25 March 2019 (91 days), at the Distribution Rate of 3.9060% per annum. The distribution is 100% franked at the Australian Corporate Tax Rate of 30%.

NAB Capital Notes	Distribution per Note	Unfranked Amount	Franked Amount	Franking Credit
330	\$0.9738	\$0.00	\$321.35	\$137.72

Payment details

The distribution amount of \$321.35 has been credited to:

NATIONAL AUSTRALIA BANK LTD
BSB: 082-395 ACC: ****9800

Taxation information

Australian resident shareholders

Franked Amount: This should be included in your assessable income.

Franking Credit: This may also need to be included in your assessable income. This amount may be available as a tax offset to reduce your income tax liability.

If you are unsure of the tax treatment for your distribution payment, please contact your accountant or taxation adviser.

How the Distribution Rate is calculated

$\$0.9738 \times 330 \text{ NAB Capital Notes} = \321.35

The Distribution Rate has been calculated in accordance with the NAB Capital Notes Terms as follows:

3 month Bank Bill Rate on 24 December 2018: 2.0800 % p.a.

Plus Margin: 3.5000 % p.a.
5.5800 % p.a.

Multiplied by (1 - Tax Rate): 0.70
Distribution Rate: 3.9060 % p.a.

Multiplied by the Face Value: x \$100

Multiplied by the number of days in the Distribution Period: x 91

Divided by 365: / 365

Distribution per Note: \$0.9738

Distribution Amount \$321.35

Frequently Asked Questions

QUESTION	ANSWER
What are the NAB Capital Notes?	<p>The NAB Capital Notes are hybrid securities with features of both debt and equity.</p> <p>The legal form of the securities is that of convertible notes issued by NAB which pay quarterly distributions.</p> <p>However, under Australian tax law, specific rules determine whether a hybrid instrument is debt or equity for tax purposes. The NAB Capital Notes are characterised as ‘non-share equity interests’ for Australian tax purposes. This means that Distributions on the NAB Capital Notes should be treated as “non-share dividends” that are frankable. The Prospectus states that payments are expected to be fully franked, however franking is not guaranteed.</p>
Why does my NAB Capital Notes statement say ‘distribution’ instead of interest payment?	<p>The payments on the NAB Capital Notes are described in the Prospectus as ‘distributions’ because the securities are notes, rather than shares.</p> <p>However, under Australian tax law, specific rules determine whether a hybrid instrument is debt or equity for tax purposes. Under these rules, the payments on the NAB Capital Notes are treated as frankable non-share dividends.</p>
How will my distributions be taxed in Australia?	<p>Australian resident holders must include any cash distributions paid on the NAB Capital Notes in their Australian taxable income.</p> <p>The cash component may also be franked under Australia’s dividend imputation system. Any franking credits attached to the distribution will normally also form part of an Australian resident investor’s taxable income. However they are generally entitled to a rebate of tax for the franking credits attached to the dividend.</p> <p>In some circumstances, Australian resident individuals may be entitled to a refund from the Australian Taxation Office for any excess franking credits (e.g. if their taxable income is too low to make them liable to tax, or the franking credits exceed their overall tax liability).</p> <p>NAB has obtained a class ruling which outlines the tax implications for investors. This information is available on the ATO’s website www.ato.gov.au.</p>
Will the distributions be subject to non-resident withholding tax?	<p>Fully franked dividends are not subject to non-resident withholding tax.</p> <p>The Prospectus states that payments are expected to be fully franked, however franking is not guaranteed.</p>
Where should the NAB Capital Notes distributions be disclosed in my Australian tax return?	Distributions on the NAB Capital Notes should be disclosed in your Australian income tax return as franked dividends.
Will NAB provide NAB Capital Notes holders with an annual distribution statement for tax purposes?	No. The relevant information that NAB Capital Notes holders require for tax purposes is contained in the quarterly distribution statements provided to NAB Capital Notes holders. The relevant quarterly distribution statements are also readily available from our Share Registry’s website www.investorcentre.com/au

For further information visit www.nab.com.au/nab-capital-notes