



NAB TAILORED DEPOSITS.

Product Disclosure Statement

Dated 7 November 2016

Issued by National Australia Bank Limited ABN 12 004 044 937 AFSL 230686

IMPORTANT NOTICES

Issuer and contact details

This Product Disclosure Statement (PDS) is issued by National Australia Bank Limited ABN 12 004 044 937, Australian Financial Services Licence 230686.

The PDS provides general information relating to the offer of the NAB Flexi Deposit, NAB Floating Deposit, NAB Inflation Deposit and NAB Tailored Income Deposit. Collectively, we refer to these products as the NAB Tailored Deposits. You should read the PDS before making a decision to invest in any of the NAB Tailored Deposits.

Any advice in this PDS has been prepared without taking into account your objectives, financial situation or needs. Because of this, you should, before acting on any advice in this PDS, consider whether it is appropriate to your objectives, financial situation and needs.

The date of this document is 7 November 2016.

Relationship managed

NAB Tailored Deposits are available through NAB Relationship Managers. Please contact your Relationship Manager directly with queries in relation to these products.

Updated information

The information in this PDS is subject to change. If the change is not materially adverse NAB will publish a notice of the change on our website at www.nab.com.au/tailoreddeposits.

If the change is materially adverse NAB will provide updated information by issuing a supplementary or replacement PDS which will be made available on our website www.nab.com.au/tailoreddeposits.

You can also access this information by speaking to your financial adviser or your NAB Relationship Manager. A paper copy of the information will be given to you, without charge, upon request.

Telephone recording

Calls to or from your NAB Relationship Manager may be recorded to assist NAB with its dispute resolution process.

Our regulatory obligations

NAB is subject to a number of regulatory obligations which include the requirement to identify our customers and, in certain circumstances prescribed by applicable law, to report such information to third parties.

This may be to prevent the facilitation of money laundering and terrorism financing and/or to avoid tax evasion. For example, NAB is required to identify certain US persons in order to meet account information reporting requirements under local and international laws. If you or (where you are any entity) any controlling person are a US citizen or US tax resident or we suspect that you are, we may contact you for further information. Failure to respond may lead to certain reporting requirements.

Financial Claims Scheme

The Financial Claims Scheme provides a guarantee of funds deposited with an Authorised Deposit-taking Institution (ADI) such as NAB. In the event that an ADI becomes insolvent, customers may be eligible to claim the amount of their deposits with that ADI from the Scheme. Payments under the Scheme are subject to a limit for each depositor. For more information regarding the Scheme, visit the Financial Claims Scheme website at www.fcs.gov.au.

Tax File Number options

Interest earned on your account may form part of your assessable income.

NAB is authorised to collect your Tax File Number (TFN) under the Income Tax Assessment Act 1936. NAB will use your TFN to report details of Interest earned on your NAB Tailored Deposit to the Australian Taxation Office. It is not compulsory to provide your TFN and it is not an offence if you decline to do so.

If you do not provide your TFN, Australian Business Number (ABN) or advise that you are eligible for an exemption from providing a TFN or ABN, NAB may be obliged to deduct Withholding Tax at the maximum marginal tax rate (plus the Medicare levy) from any interest income you earn on your account. If you are a non-resident of Australia, NAB may also be obliged to deduct Withholding Tax.

Definitions

Terms used in this PDS are defined in the Glossary in Section 7 of this PDS.

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Section 1

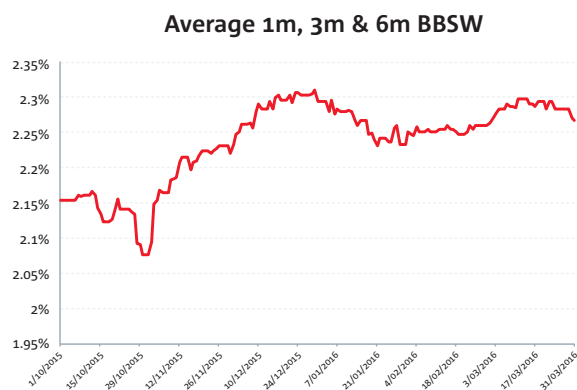
WHY INVEST IN A NAB TAILORED DEPOSIT?

The NAB Tailored Deposits provide you with the ability to tailor your deposit to suit your view on interest rates and cash flow requirements.

This section provides information about market considerations for which a NAB Tailored Deposit can be beneficial.

Interest rates

Interest rates can rise and fall over time. The Bank Bill Swap (BBSW) Benchmark Rate is the interest rate at which banks will lend to each other. Changes in BBSW will flow through to other interest rates which may affect your cash flow, expenditure and more.



Source: NAB Market Research

NAB Tailored Deposits can help you implement your interest rate views through the safety of a sophisticated deposit. You can protect yourself against unfavourable interest rate movements and take advantage of a rising interest rate environment.

With a NAB Flexi Deposit you will:

- Receive BBSW-linked returns
- Have the flexibility to specify the terms and order of your fixed and floating periods, and the fixed rate and/or floating rate margin

With a NAB Floating Deposit you will:

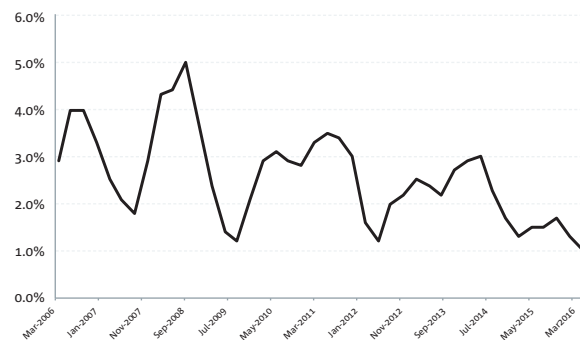
- Receive BBSW-linked returns

- Receive a fixed margin over BBSW on your periodic interest payments
- Receive higher floating returns in a rising rate environment rather than fixed interest returns offered by standard term deposits of equivalent term and principal

Inflation protection

Australia has experienced a volatile history of inflation over time. What you may have been able to purchase for \$100,000 in 2008 would cost you \$118,147.14 to purchase in 2016¹.

Year-ended inflation



Source: Australian Bureau of Statistics (ABS)

NAB Tailored Deposits will allow you to protect the purchasing power of your deposit for the term you select. With a NAB Inflation Deposit you will:

- Receive Consumer Price Index (CPI)-adjusted interest payments
- Receive (optional) a CPI-adjusted principal repayment at maturity

Cash flow requirements

Over a period of time, you may need specific cash flows to fund projected expenditures.

With a NAB Tailored Income Deposit you will:

- Have the certainty of cash flow
- Have the ability to tailor your cash flows to protect against unexpected rises in expenses

¹ Sourced from the RBA Inflation calculator website at <http://www.rba.gov.au/calculator/quarterDecimal.html>

Section 2

PRODUCT FEATURES AT A GLANCE

Option	Flexi Deposit	Floating Deposit	Inflation Deposit	Tailored Income Deposit
What is it?	A term deposit divided into two periods, one fixed period and one floating period.	A term deposit where your interest rate is based on a floating reference rate plus a margin.	A term deposit where your interest payments (and your principal, if you choose) are linked to changes in the CPI over the deposit term.	A term deposit designed to provide a stream of equal payments comprising of both principal and interest over the deposit term.
Purpose	Provides you with the ability to tailor your deposit to implement your view on interest rates and cash flow requirements.	Provides you with the ability to receive interest payments linked to a floating reference rate and lock in a fixed margin for the deposit term.	Provides you with access to inflation-adjusted interest rate returns.	Provides you with a secure fixed regular Payment Stream.
Minimum principal amount	\$50,000	\$50,000	\$50,000	\$50,000
Terms	One to ten years	Six months to five years	One to ten years	One to ten years
Interest rate reference	Bank Bill Swap (BBSW) Benchmark Rate – see Section 5 for explanation of BBSW			
Interest payment frequency	Monthly, quarterly or semi-annually		Quarterly	Monthly or quarterly
Fees and charges	There are no establishment, transaction or service fees payable on a NAB Tailored Deposit. NAB may however deduct from your NAB Tailored Deposit any government charges, duties or taxes relating to your deposit where applicable.			
No early pre-payment	NAB Tailored Deposits are hold to maturity deposits of a fixed amount for a fixed term at a fixed rate and/or fixed margin. Your deposit cannot be withdrawn before maturity, except in exceptional circumstances and at NAB's discretion.			
How do I apply?	Complete the Application Form and Authority incorporated with this PDS and provide it to your NAB Relationship Manager.			
Variation of terms	Once you have locked in your NAB Tailored Deposit you cannot vary the terms of your NAB Tailored Deposit during the deposit term.			
Cooling off	There is no cooling off period for any NAB Tailored Deposits.			

Section 3

KEY BENEFITS AND RISKS

You should carefully consider the benefits and risks below before investing in a NAB Tailored Deposit. You should talk to your financial adviser to determine if investment in a NAB Tailored Deposit is right for you.

<p>Key Benefits</p>	<ul style="list-style-type: none"> • Flexibility – You can tailor your NAB Tailored Deposit to suit your interest rate view and cash flow requirements. • Peace of mind – Like other NAB deposits, your NAB Tailored Deposit is a liability of one of Australia’s key financial institutions. • Certainty of return – Your interest rate and/or your margin above BBSW is locked in at the commencement of your deposit. • Relationship managed – You can contact your NAB Relationship Manager for any information on your NAB Tailored Deposit. • Inflation protection (NAB Inflation Deposit) – You can help protect the purchasing power of your deposit by linking your interest payments and, at your election, your principal to the CPI. • Financial stability (NAB Tailored Income Deposit) – You’ll be able to match your Payment Stream to your cash flow needs as you’ll know the payment amounts and payment dates at the start of the deposit.
<p>Key Risks</p>	<ul style="list-style-type: none"> • Interest rate risk – Interest rates may not move in accordance with your view at the time of investing in a NAB Tailored Deposit. Interest rate movements of a different direction or magnitude than you expected may result in a lower return than you anticipated or could otherwise have obtained in the market. • No early pre-payment – A NAB Tailored Deposit is a deposit of a fixed amount for a fixed term at a fixed rate and/or fixed margin. Your deposit cannot be withdrawn before maturity of the fixed term, except in exceptional circumstances and at NAB’s discretion. • No cooling off period – There is no cooling off period once the transaction details have been negotiated and verbally agreed. • Credit and operational risk – NAB Tailored Deposits are serviced by NAB and are subject to the effectiveness of our processes and procedures. NAB’s ability to meet our obligations is linked to our financial health as a regulated Australian bank, which is intended to reduce the risk of NAB not performing its obligations.

Section 4

HOW YOUR NAB TAILORED DEPOSIT WILL WORK

The following clauses apply to your NAB Tailored Deposit regarding the opening of your account and maturity of your deposit.

Specific clauses for each product you select are set out in Section 5.

Applying for your NAB Tailored Deposit

Step 1 Please ensure you have read this PDS and discuss the offer with your financial adviser and/or NAB Relationship Manager.

Step 2 Decide your preferences for the following components of your NAB Tailored Deposit;

Product	Component
Flexi Deposit	<ul style="list-style-type: none"> Principal to invest; Deposit term; Interest payment frequency; Order of your floating and fixed rate periods; and Length of each floating and fixed rate period.
Floating Deposit	<ul style="list-style-type: none"> Principal to invest; Deposit term; and Interest payment frequency.
Inflation Deposit	<ul style="list-style-type: none"> Principal to invest; Deposit term; Interest payment frequency; and Principal and/or interest linked to the CPI.
Tailored Income Deposit	<ul style="list-style-type: none"> Payment Stream per period (based on either a fixed upfront principal or a fixed periodic payment amount as agreed with your NAB Relationship Manager); Deposit term; and Payment Stream frequency.

Indicative interest rate quote

Step 3 Based on your preferences your NAB Relationship Manager will provide you or your Nominated Representative with an indicative quote for your NAB Tailored Deposit.

Step 4 You may accept the quote by completing and submitting the Application Form and Authority for your NAB Tailored Deposit to your NAB Relationship Manager.

Receipt of your cleared funds

Step 5 On receipt of your completed Application Form and Authority by your NAB Relationship Manager, and principal deposited in cleared funds prior to 3pm AEST on a Business Day, we will issue your NAB Tailored Deposit.

We will also confirm the investment details of your NAB Tailored Deposit. You should check this confirmation carefully.

Maturity of your NAB Tailored Deposit

Step 6 We will contact you or your Nominated Representative prior to maturity of your NAB Tailored Deposit (or you could also call us) to discuss your upcoming deposit maturity and determine if you wish to reinvest your principal and/or interest at maturity.

Step 7 If you require payment of your principal on maturity, we will arrange your final payment to be made to your Nominated Account.

Re-investment of your NAB Tailored Deposit

Step 8 If you choose to re-invest your principal and/or interest in a new NAB Tailored Deposit, your NAB Relationship Manager will take you through the relevant steps.

Step 9 Details of your completed Application Form and Authority will apply as a standing authority to each NAB Tailored Deposit opened under this PDS.

Section 5

INTEREST CALCULATION AND PAYMENT WITH WORKED EXAMPLES

In addition to the clauses set out in Section 4, the following clauses apply to the specific NAB Tailored Deposit issued to you.

5.1 NAB Flexi Deposit

Interest rate

The indicative rate quoted by your NAB Relationship Manager and agreed by you at that time will be:

- fixed for the fixed rate period; and
- a floating rate (Reference Rate plus a margin) will apply for the floating rate period.

The order of each period is selected by you on application with your NAB Relationship Manager.

During your floating rate period, your Reference Rate is reset according to changes in the applicable BBSW (which matches your selected interest payment frequency) as at the beginning of each interest payment frequency period. The floating rate that then applies for that interest payment frequency period is the updated Reference Rate plus your margin.

Interest calculation

Interest is calculated daily on your principal according to the interest rate applicable to your fixed or floating rate period, up to and including the Business Day before the interest payment date.

Interest payments are calculated using the following formula:

$$\text{Interest Payment} = P \times R \times \frac{D}{365}$$

P	Principal
R	Fixed rate or floating rate (Reference Rate) plus a margin
D	Days in fixed or floating rate period selected by you

Interest payment

Interest is credited to your Nominated Account according to the interest payment frequency selected by you on the first Business Day of the subsequent interest payment period.

What is the Reference Rate ?

The Reference Rate is the applicable Australian Bank Bill Swap (BBSW) Benchmark Rate which matches the frequency of your interest payments. BBSW is widely used as an interest rate reference rate by banks in Australia. It is the average mid-rate for Australian Dollar bank bills of various maturities less than 6 months and is based on the average mid-price of a select number of Australian bank bill market makers.

More information on BBSW can be sourced from the Australian Financial Markets Association website at www.afma.com.au/data/BBSW.

BBSW is not the Reserve Bank of Australia (RBA) Cash Rate and does not necessarily replicate the RBA Cash Rate.

Case Example 1

Bob is an investor with views on interest rates over the next two years. He believes that interest rates will fall in the short term (next 6 months) and slowly pick up over the long term (next 18 months thereafter).

Bob wants to invest \$200,000 in a NAB Flexi Deposit and receive monthly interest payments. His NAB Relationship Manager provides him with the following 2 year Flexi Deposit quote:

Fixed rate (first 6 months): 3.25% p.a.

Floating rate (next 18 months): 1m BBSW + 134bps

Bob advises his NAB Relationship Manager to proceed with the quote and invest his \$200,000 in a NAB Flexi Deposit paying monthly interest for a 2 year term (as displayed below).

Month	1m BBSW	D	R (p.a.)	Interest payments
Fixed rate period				
1	1.84%	31	3.25%	\$552.05
2	1.76%	28	3.25%	\$498.63
3	1.69%	31	3.25%	\$552.05
4	1.77%	30	3.25%	\$534.25
5	1.88%	31	3.25%	\$552.05
6	1.94%	30	3.25%	\$534.25
Floating rate period				
7	2.01%	31	3.35%	\$569.04
8	2.07%	31	3.41%	\$579.23
9	2.11%	30	3.45%	\$567.12
10	2.06%	31	3.40%	\$577.53
11	2.02%	30	3.36%	\$552.33
12	2.22%	31	3.56%	\$604.71
13	2.28%	31	3.62%	\$614.90
14	2.29%	28	3.63%	\$556.93
15	2.33%	31	3.67%	\$623.40
16	2.24%	30	3.58%	\$588.49
17	2.40%	31	3.74%	\$635.29
18	2.43%	30	3.77%	\$619.73
19	2.38%	31	3.72%	\$631.89
20	2.50%	31	3.84%	\$652.27
21	2.61%	30	3.95%	\$649.32
22	2.57%	31	3.91%	\$664.16
23	2.61%	30	3.95%	\$649.32
24	2.71%	31	4.05%	\$687.95

2 In this example, floating rate = 1m BBSW + floating rate margin. The floating rate margin is 134bps.

Monthly interest workings

$$\begin{aligned} \text{Month 4} &= P \times \text{fixed rate} \times D/365 \\ &= \$200,000 \times 3.25\% \times 30/365 \\ &= \$534.25 \end{aligned}$$

$$\begin{aligned} \text{Month 10} &= P \times \text{floating rate}^2 \times D/365 \\ &= \$200,000 \times 3.40\% \times 31/365 \\ &= \$577.53 \end{aligned}$$

At maturity

At maturity, Bob will receive his principal of \$200,000, in addition to his final interest payment in his Nominated Account.

Payment at maturity

$$\begin{aligned} &= P + [P \times \text{floating rate} \times D/365] \\ &= \$200,000 + [\$200,000 \times 4.05\% \times 31/365] \\ &= \$200,687.95 \end{aligned}$$

Summary

By tailoring his deposit, Bob was able to:

- Benefit from rising BBSW beyond the first 6 months of his NAB Flexi Deposit through his rising floating rate which is reset in line with 1m BBSW on a monthly basis (as per his elected interest payment frequency)
- Enjoy higher returns over the life of his deposit than he would have received if he were to invest his principal at the fixed rate of 3.25% p.a. over the 2 years

Case Example 2

Hidden Treasures Pty Ltd is a mining company that wants to invest \$2,000,000 over 5 years and receive quarterly interest returns.

They want to receive higher interest returns in the first 2 years to fund additional labour costs associated with a current project. Hidden Treasures' NAB Relationship Manager provides the following 5 year Flexi Deposit quote:

Fixed rate (first 2 years): 3.70% p.a.

Floating rate (next 3 years): 3m BBSW + 24bps

Hidden Treasures advises their NAB Relationship Manager to proceed with the quote and invest \$2,000,000 in a NAB Flexi Deposit paying quarterly interest over a 5 year period. Details are displayed in the below table.

Quarter	3m BBSW	D	R (p.a.)	Interest payments
Fixed rate period				
1	2.11%	90	3.70%	\$18,246.58
2	2.25%	91	3.70%	\$18,449.32
3	2.19%	92	3.70%	\$18,652.05
4	2.08%	92	3.70%	\$18,652.05
5	2.13%	90	3.70%	\$18,246.58
6	2.22%	91	3.70%	\$18,449.32
7	2.25%	92	3.70%	\$18,652.05
8	2.18%	92	3.70%	\$18,652.05
Floating rate period				
9	2.20%	90	2.44%	\$12,032.88
10	2.29%	91	2.53%	\$12,615.34
11	2.21%	92	2.45%	\$12,350.68
12	2.26%	92	2.50%	\$12,602.74
13	2.19%	90	2.43%	\$11,983.56
14	2.31%	91	2.55%	\$12,715.07
15	2.34%	92	2.58%	\$13,006.03
16	2.31%	92	2.55%	\$12,854.79
17	2.38%	90	2.62%	\$12,920.55
18	2.43%	91	2.67%	\$13,313.42
19	2.41%	92	2.65%	\$13,358.90
20	2.47%	92	2.71%	\$13,661.37

Quarterly interest workings

$$\begin{aligned} \text{Quarter 2} &= P \times \text{fixed rate} \times D/365 \\ &= \$2,000,000 \times 3.70\% \times 91/365 \\ &= \$18,449.32 \end{aligned}$$

$$\begin{aligned} \text{Quarter 16} &= P \times \text{floating rate}^3 \times D/365 \\ &= \$2,000,000 \times 2.55\% \times 92/365 \\ &= \$12,854.79 \end{aligned}$$

At maturity

At maturity, Hidden Treasures will receive their principal of \$2,000,000, in addition to their final interest payment in their Nominated Account.

Payment at maturity

$$\begin{aligned} &= P + [P \times \text{floating rate} \times D/365] \\ &= \$2,000,000 + [\$2,000,000 \times 2.71\% \times 92/365] \\ &= \$2,013,661.37 \end{aligned}$$

Summary

By tailoring their deposit, Hidden Treasures locked in:

- The quarterly interest returns they required over the first 2 years to fund labour costs for their current project
- Interest payments linked to rising 3m BBSW, reset on a quarterly basis, in the final 3 years

³ In this example, floating rate = 3m BBSW + floating rate margin. The floating rate margin is 24bps.

5.2 NAB Floating Deposit

Interest rate

The indicative rate quoted by your NAB Relationship Manager and agreed by you at that time will be a floating rate comprising a Reference Rate (BBSW) plus a margin for the term you select on application with your NAB Relationship Manager.

Your Reference Rate is reset according to changes in the applicable BBSW (which matches your selected interest payment frequency) as at the beginning of each interest payment frequency period. The floating rate that then applies for each interest payment frequency period is the updated Reference Rate plus your margin.

Interest calculation

Interest is calculated daily on your principal according to the interest rate applicable to your selected floating rate period up to and including the Business Day before the interest payment date.

Interest payments are calculated using the following formula:

$$\text{Interest Payment} = P \times R \times \frac{D}{365}$$

P	Principal
R	Floating rate (Reference Rate plus a Margin)
D	Days in floating rate period selected by you

Interest payment

Interest is credited to your Nominated Account according to the interest payment frequency selected by you on the first Business Day of the subsequent interest payment period.

What is the Reference Rate?

The Reference Rate is the applicable Australian Bank Bill Swap (BBSW) Benchmark Rate which matches the frequency of your Interest payments. BBSW is widely used as an interest rate reference rate by banks in Australia. It is the average mid-rate for Australian Dollar bank bills of various maturities less than 6 months and is based on the average mid-price of a select number of Australian bank bill market makers.

More information on BBSW can be sourced from the Australian Financial Markets Association website at www.afma.com.au/data/BBSW.

BBSW is not the Reserve Bank of Australia (RBA) Cash Rate and does not necessarily replicate the RBA Cash Rate.

Case Example 1

Westside Community Group (Westside) is a government-owned organisation which holds a principal of \$10,000,000. Westside require benchmark returns of 3m BBSW plus a margin of 93bps on their principal to meet cash flow requirements associated with the implementation of a community program over the next 5 years.

Westside would prefer the convenience of holding a single deposit for 5 years that provides quarterly interest payments. Westside’s NAB Relationship Manager provides the following 5 year NAB Floating Deposit quote:

Floating rate: 3m BBSW + 93bps

Westside advise their NAB Relationship Manager to proceed with the quote and invest \$10,000,000 in a 5 year NAB Floating Deposit. They receive quarterly interest payments as per the details specified in the below table.

Quarter	3m BBSW	D	R (p.a.)	Interest payments
1	2.64%	90	3.57%	\$88,027.40
2	2.69%	91	3.62%	\$90,252.05
3	2.57%	92	3.50%	\$88,219.18
4	2.63%	92	3.56%	\$89,731.51
5	2.60%	90	3.53%	\$87,041.10
6	2.51%	91	3.44%	\$85,764.38
7	2.53%	92	3.46%	\$87,210.96
8	2.68%	92	3.61%	\$90,991.78
9	2.71%	90	3.64%	\$89,753.42
10	2.66%	91	3.59%	\$89,504.11
11	2.59%	92	3.52%	\$88,723.29
12	2.50%	92	3.43%	\$86,454.79
13	2.41%	90	3.34%	\$82,356.16
14	2.43%	91	3.36%	\$83,769.86
15	2.39%	92	3.32%	\$83,682.19
16	2.33%	92	3.26%	\$82,169.86
17	2.38%	90	3.31%	\$81,616.44
18	2.43%	91	3.36%	\$83,769.86
19	2.41%	92	3.34%	\$84,186.30
20	2.47%	92	3.40%	\$85,698.63

Quarterly interest workings

$$\begin{aligned} \text{Quarter 3} &= P \times \text{floating rate}^4 \times D/365 \\ &= \$10,000,000 \times 3.50\% \times 92/365 \\ &= \$88,219.18 \end{aligned}$$

$$\begin{aligned} \text{Quarter 15} &= P \times \text{floating rate} \times D/365 \\ &= \$10,000,000 \times 3.32\% \times 92/365 \\ &= \$83,682.19 \end{aligned}$$

At maturity

At maturity, Westside will receive their principal of \$10,000,000, in addition to their final interest payment in their Nominated Account.

Payment at maturity

$$\begin{aligned} &= P + [P \times \text{floating rate} \times D/365] \\ &= \$10,000,000 + [\$10,000,000 \times 3.40\% \times 92/365] \\ &= \$10,085,698.63 \end{aligned}$$

Summary

Despite the interest rate movements over the 5 year term, by tailoring their deposit, Westside was able to:

- Have their floating rate reset each quarter in line with 3m BBSW effective on each interest payment period start date
- Meet its benchmark by receiving a floating rate of 93bps above 3m BBSW on their principal
- Benefit from the convenience of administering only one single deposit

⁴ In this example, floating rate = 3m BBSW + floating rate margin. The floating rate margin is 93bps.

Case Example 2

Phil is an investor who has \$200,000 to deposit for a period of 6 months. He would like to receive monthly interest returns of 1m BBSW plus a margin of 105bps.

Phil's NAB Relationship Manager provides the following 6 month NAB Floating Deposit quote:

Floating rate: 1m BBSW + 105bps

Phil advises his NAB Relationship Manager to proceed with the quote and invest \$200,000 in a 6 month NAB Floating Deposit. He receives monthly interest payments as per the details specified in the below table.

Month	1m BBSW	D	R (p.a.)	Interest payments
1	2.17%	31	3.22%	\$546.96
2	2.11%	28	3.16%	\$484.82
3	2.15%	31	3.20%	\$543.56
4	2.14%	30	3.19%	\$524.38
5	2.24%	31	3.29%	\$558.85
6	2.30%	30	3.35%	\$550.68

Monthly interest workings

$$\begin{aligned} \text{Month 2} &= P \times \text{floating rate}^5 \times D/365 \\ &= \$200,000 \times 3.16\% \times 28/365 \\ &= \$484.82 \end{aligned}$$

$$\begin{aligned} \text{Month 4} &= P \times \text{floating rate} \times D/365 \\ &= \$200,000 \times 3.19\% \times 30/365 \\ &= \$524.38 \end{aligned}$$

$$\begin{aligned} \text{Month 5} &= P \times \text{floating rate} \times D/365 \\ &= \$200,000 \times 3.29\% \times 31/365 \\ &= \$558.85 \end{aligned}$$

At maturity

At maturity, Phil will receive his principal of \$200,000, in addition to his final interest payment in his Nominated Account.

Payment at maturity

$$\begin{aligned} &= P + [P \times \text{floating rate} \times D/365] \\ &= \$200,000 + [\$200,000 \times 3.35\% \times 30/365] \\ &= \$200,550.68 \end{aligned}$$

Summary

By tailoring his deposit, Phil was able to:

- Have his floating rate reset each month in line with rising 1m BBSW effective on each interest payment period start date
- Receive interest payments of \$3,209.26 over 6 months on his principal of \$200,000
- Benefit from increasing interest payments as a result of his rising floating rate

⁵ In this example, floating rate = 1m BBSW + floating rate margin. The floating rate margin is 105bps.

5.3 NAB Inflation Deposit

Interest rate

The indicative rate quoted by your NAB Relationship Manager and agreed by you at that time is a fixed interest rate, linked to the change in the CPI each quarter when your interest payment is made. The rate is fixed for the term of your investment and forms the Base Rate.

Interest calculation

The interest payment for any given quarter is determined by the Base Rate and the change in the CPI from the Base CPI, up until the Current CPI.

The interest rate applied for the quarter will be:

- Greater than the Base Rate if the CPI has increased such that the Current CPI is greater than the Base CPI
- Less than the Base Rate if the CPI has decreased such that the Current CPI is less than the Base CPI
- Equal to the Base Rate if the Current CPI is equal to the Base CPI

Interest payments are calculated according to the following formula:

$$\text{Interest Payment} = P \times \text{Base Rate} \times \frac{\text{Current CPI}}{\text{Base CPI}} \times \frac{D}{365}$$

P	Principal
Base Rate	The fixed interest rate which is accepted by you on application with your NAB Relationship Manager
Base CPI	The most recent CPI published as at the date your NAB Inflation Deposit is opened ⁶
Current CPI	The most recent published CPI when your interest is calculated and paid ⁶
D	The number of days in the quarterly period

Interest payment

Quarterly interest payments will be credited to your Nominated Account on the first Business Day of each relevant subsequent quarter.

Payment at maturity

You may also choose to link your principal to the CPI, and accordingly receive a Principal Inflation Adjustment at maturity. In such case, the following formula will apply at maturity:

$$\text{Principal Inflation Adjustment} = P \times \left[\frac{\text{Maturity CPI}}{\text{Base CPI}} - 1 \right]$$

P	Principal
Maturity CPI	The most recent published CPI as at maturity ⁶
Base CPI	The most recent CPI published as at the date your NAB Inflation Deposit is opened ⁶

Your Principal Inflation Adjustment will be:

- A positive amount, if the CPI has increased such that the Maturity CPI is greater than the Base CPI (reflecting inflation)
- A negative amount, if the CPI has decreased such that the Maturity CPI is less than the Base CPI (reflecting deflation)
- Zero, if the Maturity CPI is equal to the Base CPI

The Principal Inflation Adjustment is added to (or subtracted from, in the case of deflation) your principal and credited to your Nominated Account together with your final interest payment at maturity.

If you don't elect to link your principal to the CPI at the start of your NAB Inflation Deposit, no Principal Inflation Adjustment will apply. In this case, at maturity you'll receive your principal and final interest payment, credited to your Nominated Account.

What is inflation?

The Consumer Price Index (CPI) measures inflation which is the rise in the average prices of goods and services in our economy. The reverse of inflation is deflation, which occurs when average prices fall.

Inflation can decrease investors' purchasing power due to increased prices. When prices rise, a given amount of money buys fewer goods and services. For example, suppose \$75 buys 50 litres of petrol today at a cost of \$1.50 per litre. If inflation is running at 4% per annum, the same \$75 would buy only 48 litres at a cost of \$1.56 per litre in a year's time.

You can find the CPI published by the Australian Bureau of Statistics on www.abs.gov.au.

⁶ If CPI is published on the same date your deposit is opened, quarterly interest is due to be paid or your deposit matures, then the CPI published as at 5.00pm AEST on the Business Day prior to this date will be the Base CPI, Current CPI or Maturity CPI respectively.

Case Example 1: inflation-linked interest payments

Joanne’s son is starting secondary education at a private school. School fees are due to be paid at the end of each quarter. Joanne is concerned that her son’s school fees will continue to rise in line with inflation (CPI) and wants to purchase a deposit that will provide her with protection against subsequent rising school fees.

Joanne decides to invest \$300,000 in a 5 year term, linking only her interest payments to movements in inflation. Her NAB Relationship Manager provides a quote for a NAB Inflation Deposit paying quarterly inflation-linked interest payments:

Base Rate (BR): 2.52% p.a.

Base CPI: 108.60

Joanne advises her NAB Relationship Manager to proceed with the quote and invest \$300,000 in a 5 year NAB Inflation Deposit. She receives quarterly interest payments as per the details specified in the below table.

Quarter	CPI	D	Interest payments
1	109.1	90	\$1,872.69
2	109.5	91	\$1,900.44
3	109.8	92	\$1,926.59
4	110.2	92	\$1,933.61
5	111.6	90	\$1,915.60
6	112.0	91	\$1,943.83
7	113.5	92	\$1,991.51
8	113.9	92	\$1,998.53
9	114.4	90	\$1,963.67
10	115.9	91	\$2,011.52
11	116.4	92	\$2,042.40
12	117.8	92	\$2,066.96
13	118.5	90	\$2,034.04
14	119.1	91	\$2,067.06
15	120.7	92	\$2,117.85
16	122.3	92	\$2,145.92
17	124.0	90	\$2,128.45
18	125.7	91	\$2,181.60
19	127.4	92	\$2,235.41
20	129.1	92	\$2,265.23

Quarterly payment workings

$$\begin{aligned} \text{Qtr 5} &= P \times BR \times D/365 \times \text{Current CPI}/\text{Base CPI} \\ &= \$300,000 \times 2.52\% \times 90/365 \times 111.6/108.6 \\ &= \$1,915.60 \end{aligned}$$

$$\begin{aligned} \text{Qtr 17} &= P \times BR \times D/365 \times \text{Current CPI}/\text{Base CPI} \\ &= \$300,000 \times 2.52\% \times 90/365 \times 124.0/108.6 \\ &= \$2,128.45 \end{aligned}$$

At maturity

At maturity, Joanne will receive her principal of \$300,000, in addition to her final inflation-adjusted quarterly interest payment in her Nominated Account.

Payment at maturity

$$\begin{aligned} &= P + [P \times BR \times D/365 \times \text{Current CPI}/\text{Base CPI}] \\ &= \$300,000 + [\$300,000 \times 2.52\% \times 92/365 \\ &\quad \times 129.1/108.6] \\ &= \$302,265.23 \end{aligned}$$

Summary

By tailoring her deposit, Joanne was able to:

- Receive interest returns in line with inflation, to provide protection against school fee rises
- Receive higher interest payments than she would have received had she invested her \$300,000 in a standard term deposit at a fixed rate of 2.52% p.a. over 5 years

Case Example 2: inflation-linked interest payments and Principal Inflation Adjustment

Build & Co is a construction company that holds a principal of \$3,000,000. The company wants to invest in a deposit which can protect both their principal and associated cash flow against rises in inflation over the next 2 years.

Their NAB Relationship Manager provides the company with a quote to invest \$3,000,000 in a NAB Inflation Deposit paying quarterly inflation-linked interest payments over 2 years and a Principal Inflation Adjustment at maturity.

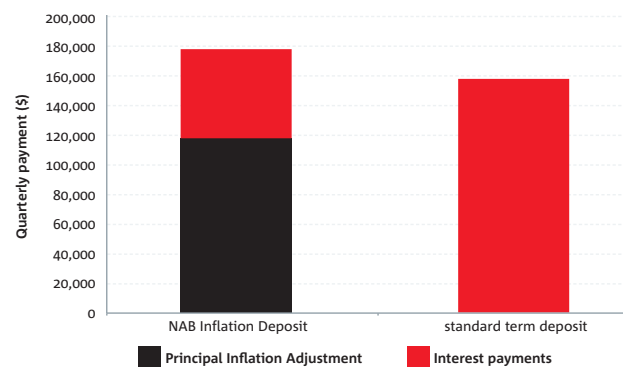
Base Rate (BR): 0.96% p.a.

Base CPI: 108.60

Build & Co advises their NAB Relationship Manager to proceed with the quote and invest \$3,000,000 in a 2 year NAB Inflation Deposit. They receive quarterly payments as per the details specified in the below table.

Quarter	CPI	D	Payments
1	109.1	90	\$7,134.06
2	109.6	91	\$7,246.39
3	110.0	92	\$7,352.76
4	110.7	92	\$7,399.55
5	111.2	90	\$7,271.38
6	111.8	91	\$7,391.85
7	112.3	92	\$7,506.50
8	112.9	92	\$126,331.13

Total interest payments: NAB Inflation Deposit vs standard term deposit



Quarterly payment workings

$$\begin{aligned} \text{Qtr 2} &= P \times BR \times D/365 \times \text{Current CPI}/\text{Base CPI} \\ &= \$3,000,000 \times 0.96\% \times 91/365 \times 109.6/108.6 \\ &= \$7,246.39 \end{aligned}$$

$$\begin{aligned} \text{Qtr 5} &= P \times BR \times D/365 \times \text{Current CPI}/\text{Base CPI} \\ &= \$3,000,000 \times 0.96\% \times 90/365 \times 111.2/108.6 \\ &= \$7,271.38 \end{aligned}$$

At maturity

At maturity, Build & Co will receive their principal of \$3,000,000, in addition to a final quarterly payment consisting of both an inflation-adjusted quarterly interest payment and a Principal Inflation Adjustment.

Payment at maturity

$$\begin{aligned} &= P + [P \times BR \times D/365 \times \text{Current CPI}/\text{Base CPI}] + \\ &\quad \{P \times [(\text{Current CPI}/\text{Base CPI}) - 1]\} \\ &= \$3,000,000 + [\$3,000,000 \times 0.96\% \times 92/365 \times \\ &\quad 112.9/108.6] + \{ \$3,000,000 \times [(112.9/108.6) - 1] \} \\ &= \$3,000,000 + \$7,546.60 + \$118,784.53 \\ &= \$3,126,331.13 \end{aligned}$$

Summary

By tailoring their deposit, Build & Co was able to:

- Receive a total of \$58,849.09 in interest payments in addition to a Principal Inflation Adjustment of \$118,784.53 at maturity
- Protect both their interest payments and principal against rising inflation over 2 years
- Receive greater returns than that which would have been received from investing their \$3,000,000 over 2 years in a standard term deposit at a fixed rate of 2.63% p.a. (graph on left)

5.4 NAB Tailored Income Deposit

Payment Stream election

You will receive a Payment Stream based on your election of:

- a fixed upfront principal; or
- a fixed periodic payment amount;

which you specify on application with your NAB Relationship Manager.

Interest rate

The indicative interest rate quoted by your NAB Relationship Manager and accepted by you at that time will be a fixed interest rate over the term of your deposit.

Payment Stream calculation

Your Payment Stream is calculated to provide a stream of equal payments comprising both principal and interest over the term.

The Payment Stream amount is made up of a declining principal balance and therefore a declining interest portion.

The principal portion you receive as part of each Payment Stream amount is calculated using the following formula:

$$\text{Principal portion} = \text{Payment Stream amount} - \text{Interest portion}$$

The interest portion is calculated using the following formula:

$$\text{Interest portion} = P \times \text{Effective Rate} \times \frac{D}{365}$$

P	Principal, where your principal balance reduces after each payment made at each payment date
Effective Rate	The fixed interest rate which is accepted by you on application with your NAB Relationship Manager
D	Days in the payment frequency period selected by you

Payment Stream Schedule

The confirmation provided to you following the opening of your NAB Tailored Income Deposit will include a Payment Stream Schedule detailing each payment date and amount, specifying both the interest and principal portions.

We will make each payment at the payment frequency selected by you on application with your NAB Relationship Manager.

Each Payment Stream amount will be credited to your Nominated Account on the relevant payment date as stated in your Payment Stream Schedule.

At the end of the term of your NAB Tailored Income Deposit, the final Payment Stream credited to you will reduce your principal investment to zero.

Important information

The NAB Tailored Income Deposit is not a superannuation pension or life insurance annuity. Investing in a NAB Tailored Income Deposit may affect your eligibility for Centrelink benefits. You should seek advice about this before investing.

Case Example 1

Matt and Claire have reached retirement age and would like to travel over the next 2 years. They are risk averse and want a deposit where they can receive a sufficient income of \$8,000 per month to fund their travel plans.

Matt and Claire’s NAB Relationship Manager provide a quote to invest in a 2 year NAB Tailored Income Deposit, which would pay a monthly income of \$8,000 (Payment Stream amount or “Pmt amt”).

Effective Rate (ER): 2.62% p.a.

Initial Investment: \$186,868.34

Matt and Claire instruct their NAB Relationship Manager to proceed with the quote and invest \$186,868.34 in a 2 year NAB Tailored Income Deposit. They receive monthly payments consisting of an interest portion and principal portion as specified in the below table.

Mth	D	P	Interest portion	Principal portion	Pmt amt
1	31	\$186,868.34	\$415.82	\$7,584.18	\$8,000
2	28	\$179,284.16	\$360.34	\$7,639.66	\$8,000
3	31	\$171,644.50	\$381.94	\$7,618.06	\$8,000
4	30	\$164,026.44	\$353.22	\$7,646.78	\$8,000
5	31	\$156,379.66	\$347.98	\$7,652.02	\$8,000
6	30	\$148,727.64	\$320.27	\$7,679.73	\$8,000
7	31	\$141,047.91	\$313.86	\$7,686.14	\$8,000
8	31	\$133,361.77	\$296.76	\$7,703.24	\$8,000
9	30	\$125,658.53	\$270.60	\$7,729.40	\$8,000
10	31	\$117,929.13	\$262.42	\$7,737.58	\$8,000
11	30	\$110,191.55	\$237.29	\$7,762.71	\$8,000
12	31	\$102,428.84	\$227.93	\$7,772.07	\$8,000
13	31	\$94,656.77	\$210.63	\$7,789.37	\$8,000
14	28	\$86,867.40	\$174.59	\$7,825.41	\$8,000
15	31	\$79,041.99	\$175.88	\$7,824.12	\$8,000
16	30	\$71,217.87	\$153.36	\$7,846.64	\$8,000
17	31	\$63,371.23	\$141.01	\$7,858.99	\$8,000
18	30	\$55,512.24	\$119.54	\$7,880.46	\$8,000
19	31	\$47,631.78	\$105.99	\$7,894.01	\$8,000
20	31	\$39,737.77	\$88.42	\$7,911.58	\$8,000
21	30	\$31,826.19	\$68.54	\$7,931.46	\$8,000
22	31	\$23,894.73	\$53.17	\$7,946.83	\$8,000
23	30	\$15,947.90	\$34.34	\$7,965.66	\$8,000
24	31	\$7,982.24	\$17.76	\$7,982.24	\$8,000

Monthly payment workings

Month 1

$$\begin{aligned} \text{Interest portion} &= P \times \text{ER} \times D/365 \\ &= \$186,868.34 \times 2.62\% \times 31/365 \\ &= \$415.82 \end{aligned}$$

$$\begin{aligned} \text{Principal portion} &= \text{Pmt amt} - \text{interest portion} \\ &= \$8,000 - \$415.82 \\ &= \$7,584.18 \end{aligned}$$

Month 2

$$\begin{aligned} P &= \text{Mth 1 P} - \text{Mth 1 principal portion} \\ &= \$186,868.34 - \$7,584.18 \\ &= \$179,284.16 \end{aligned}$$

$$\begin{aligned} \text{Interest portion} &= P \times \text{ER} \times D/365 \\ &= \$179,284.16 \times 2.62\% \times 28/365 \\ &= \$360.34 \end{aligned}$$

$$\begin{aligned} \text{Principal portion} &= \text{Pmt amt} - \text{interest portion} \\ &= \$8,000 - \$360.34 \\ &= \$7,639.66 \end{aligned}$$

At maturity

At maturity, Matt and Claire will receive their final Payment Stream amount of \$8,000, consisting of their final interest payment and residual principal amount, in their Nominated Account.

$$\begin{aligned} P &= \text{Mth 23 P} - \text{Mth 23 principal portion} \\ &= \$15,947.90 - \$7,965.66 \\ &= \$7,982.24 \end{aligned}$$

Mth 24 interest portion

$$\begin{aligned} &= P \times \text{ER} \times D/365 \\ &= \$7,982.24 \times 2.62\% \times 31/365 \\ &= \$17.76 \end{aligned}$$

Mth 24 principal portion

$$\begin{aligned} &= \text{Pmt amt} - \text{Interest portion} \\ &= \$8,000 - \$17.76 \\ &= \$7,982.24 \end{aligned}$$

Summary

By tailoring their deposit, Matt and Claire can:

- Enjoy their 2 year travel plans without the worry of market conditions
- Receive a guaranteed \$8,000 a month to meet cash flow requirements

Case Example 2

Margaret has set aside \$600,000 to fund education fees for her two grandchildren, Jessica and Lisa.

Margaret wants to deposit her money in a low-risk and low-maintenance investment which pays quarterly interest to fund both Jessica’s university fees (currently \$15,000 per quarter) and Lisa’s high school fees (currently \$7,500 per quarter). She would like a sufficient income to provide a buffer in the case of rising educational expenses.

Margaret would accordingly like to establish two separate NAB Tailored Income Deposits – one for Jessica paying \$20,000 per quarter and one for Lisa paying \$10,000 per quarter over a 5 year period. Margaret’s NAB Relationship Manager provides the following quotes and quarterly payments for her two NAB Tailored Income Deposits.

Jessica’s NAB Tailored Income Deposit

Effective Rate (ER): 2.65% p.a

Initial Investment: \$373,500.61

Qtr	D	P	Interest portion	Principal portion	Pmt amt
1	90	\$373,500.61	\$2,440.55	\$17,559.45	\$20,000
2	91	\$355,941.16	\$2,351.65	\$17,648.35	\$20,000
3	92	\$338,292.81	\$2,259.61	\$17,740.39	\$20,000
4	92	\$320,552.42	\$2,141.11	\$17,858.89	\$20,000
5	90	\$302,693.53	\$1,977.87	\$18,022.13	\$20,000
6	91	\$284,671.40	\$1,880.78	\$18,119.22	\$20,000
7	92	\$266,552.18	\$1,780.42	\$18,219.58	\$20,000
8	92	\$248,332.60	\$1,658.73	\$18,341.27	\$20,000
9	90	\$229,991.33	\$1,502.82	\$18,497.18	\$20,000
10	91	\$211,494.15	\$1,397.31	\$18,602.69	\$20,000
11	92	\$192,891.46	\$1,288.41	\$18,711.59	\$20,000
12	92	\$174,179.87	\$1,163.43	\$18,836.57	\$20,000
13	90	\$155,343.30	\$1,015.05	\$18,984.95	\$20,000
14	91	\$136,358.35	\$900.90	\$19,099.10	\$20,000
15	92	\$117,259.25	\$783.23	\$19,216.77	\$20,000
16	92	\$98,042.48	\$654.87	\$19,345.13	\$20,000
17	90	\$78,697.35	\$514.23	\$19,485.77	\$20,000
18	91	\$59,211.58	\$391.20	\$19,608.80	\$20,000
19	92	\$39,602.78	\$264.52	\$19,735.48	\$20,000
20	92	\$19,867.30	\$132.70	\$19,867.30	\$20,000

Quarterly payment workings

Quarter 1

$$\begin{aligned} \text{Interest portion} &= P \times ER \times D/365 \\ &= \$373,500.61 \times 2.65\% \times 90/365 \\ &= \$2,440.55 \end{aligned}$$

$$\begin{aligned} \text{Principal portion} &= \text{Pmt amt} - \text{interest portion} \\ &= \$20,000 - \$2,440.55 \\ &= \$17,559.45 \end{aligned}$$

Quarter 2

Every quarter, the principal reduces by the principal amount distributed as part of the previous quarterly payment.

$$\begin{aligned} P &= \text{Qtr 1 } P - \text{Qtr 1 principal portion} \\ &= \$373,500.61 - \$17,559.45 \\ &= \$355,941.16 \end{aligned}$$

$$\begin{aligned} \text{Interest portion} &= P \times ER \times D/365 \\ &= \$355,941.16 \times 2.65\% \times 91/365 \\ &= \$2,351.65 \end{aligned}$$

$$\begin{aligned} \text{Principal portion} &= \text{Pmt amt} - \text{interest portion} \\ &= \$20,000 - \$2,351.65 \\ &= \$17,648.35 \end{aligned}$$

At maturity

At maturity, Margaret will receive her final Payment Stream amount of \$20,000, consisting of her final interest payment and residual principal amount, in her Nominated Account.

$$\begin{aligned} P &= \text{Qtr 19 } P - \text{Qtr 19 principal portion} \\ &= \$39,602.78 - \$19,735.48 \\ &= \$19,867.30 \end{aligned}$$

$$\begin{aligned} \text{Qtr 20 interest portion} &= P \times ER \times D/365 \\ &= \$19,867.30 \times 2.65\% \times 92/365 \\ &= \$132.70 \end{aligned}$$

$$\begin{aligned} \text{Qtr 20 principal portion} &= \text{Pmt amt} - \text{Interest portion} \\ &= \$20,000 - \$132.70 \\ &= \$19,867.30 \end{aligned}$$

Lisa's NAB Tailored Income Deposit

Effective Rate (ER): 2.65% p.a

Initial Investment: \$186,750.33

Qtr	D	P	Interest Amt	Principal Amt	Pmt Amt
1	90	\$186,750.33	\$1,220.27	\$8,779.73	\$10,000
2	91	\$177,970.60	\$1,175.82	\$8,824.18	\$10,000
3	92	\$169,146.42	\$1,129.81	\$8,870.19	\$10,000
4	92	\$160,276.23	\$1,070.56	\$8,929.44	\$10,000
5	90	\$151,346.79	\$988.94	\$9,011.06	\$10,000
6	91	\$142,335.73	\$940.39	\$9,059.61	\$10,000
7	92	\$133,276.12	\$890.21	\$9,109.79	\$10,000
8	92	\$124,166.33	\$829.36	\$9,170.64	\$10,000
9	90	\$114,995.69	\$751.41	\$9,248.59	\$10,000
10	91	\$105,747.10	\$698.65	\$9,301.35	\$10,000
11	92	\$96,445.75	\$644.20	\$9,355.80	\$10,000
12	92	\$87,089.95	\$581.71	\$9,418.29	\$10,000
13	90	\$77,671.66	\$507.53	\$9,492.47	\$10,000
14	91	\$68,179.19	\$450.45	\$9,549.55	\$10,000
15	92	\$58,629.64	\$391.61	\$9,608.39	\$10,000
16	92	\$49,021.25	\$327.43	\$9,672.57	\$10,000
17	90	\$39,348.68	\$257.11	\$9,742.89	\$10,000
18	91	\$29,605.79	\$195.60	\$9,804.40	\$10,000
19	92	\$19,801.39	\$132.26	\$9,867.74	\$10,000
20	92	\$9,933.65	\$66.35	\$9,933.65	\$10,000

Quarterly payment workings

Quarter 1

$$\begin{aligned} \text{Interest portion} &= P \times ER \times D/365 \\ &= \$186,750.33 \times 2.65\% \times 90/365 \\ &= \$1,220.27 \end{aligned}$$

$$\begin{aligned} \text{Principal portion} &= \text{Pmt amt} - \text{interest portion} \\ &= \$10,000 - \$1,220.27 \\ &= \$8,779.73 \end{aligned}$$

Quarter 2

Every quarter, the principal reduces by the principal amount distributed as part of the previous Payment Stream amount.

$$\begin{aligned} P &= \text{Qtr 1 P} - \text{Qtr 1 principal portion} \\ &= \$186,750.33 - \$8,779.73 \\ &= \$177,970.60 \end{aligned}$$

$$\begin{aligned} \text{Interest portion} &= P \times ER \times D/365 \\ &= \$177,970.60 \times 2.65\% \times 91/365 \\ &= \$1,175.82 \end{aligned}$$

$$\begin{aligned} \text{Principal portion} &= \text{Pmt amt} - \text{interest portion} \\ &= \$10,000 - \$1,175.82 \\ &= \$8,824.18 \end{aligned}$$

At maturity

At maturity, Margaret will receive her final Payment Stream amount of \$10,000, consisting of her final interest payment and residual principal amount, in her Nominated Account.

$$\begin{aligned} P &= \text{Qtr 19 P} - \text{Qtr 19 principal portion} \\ &= \$19,801.39 - \$9,867.74 \\ &= \$9,933.65 \end{aligned}$$

$$\begin{aligned} \text{Qtr 20 interest portion} &= P \times ER \times D/365 \\ &= \$9,933.65 \times 2.65\% \times 92/365 \\ &= \$66.35 \end{aligned}$$

$$\begin{aligned} \text{Qtr 20 principal portion} &= \text{Pmt amt} - \text{Interest portion} \\ &= \$10,000 - \$66.35 \\ &= \$9,933.65 \end{aligned}$$

Summary

Margaret agrees to take out two NAB Tailored Income Deposits as per the above details provided by her NAB Relationship Manager. By tailoring her deposit, she:

- Can conveniently pay fees from the quarterly interest payments received from the two NAB Tailored Income Deposits
- Only needs to invest an initial principal amount of \$373,500.61 for Jessica's deposit and \$186,750.33 for Lisa's deposit, requiring a \$560,250.94 investment in total. She is accordingly able to use her residual \$39,749.06 (\$600,000 - \$560,250.94) for other purposes

Section 6

OTHER IMPORTANT PRODUCT INFORMATION

6.1 Other important product terms

Code of Banking Practice

NAB has adopted the Code of Banking Practice and relevant provisions of the Code apply to your NAB Tailored Deposit if you are an individual or a small business customer (as defined by the Code).

You can obtain from NAB upon request:

- a) information on the indicative interest rates available on the NAB Tailored Deposits from your NAB Relationship Manager;
- b) general descriptive information concerning NAB's banking services including;
 - account opening procedures;
 - NAB's obligations regarding the confidentiality of your information;
 - complaint handling procedures;
 - bank cheques;
 - the advisability of you informing NAB promptly when you are in financial difficulty;
 - the advisability of you reading the terms and conditions applying to each banking service NAB provides to you;
- c) general descriptive information about;
 - the identification requirements of the Anti-Money Laundering and Counter-Terrorism Financing Act 2006;
 - the options available to you under the TFN legislation; and
- d) a copy of the Code of Banking Practice.

Discretion

Where the terms in this PDS confer on NAB a discretion, we will exercise that discretion reasonably and in accordance with our legitimate business needs.

Changes NAB may make

NAB may make changes to the terms in this PDS and will give you reasonable notice of any such change or as is otherwise required by an applicable legislation or industry codes.

Communications

Any notices or communications we provide to you under these terms will be made by electronic communication to your nominated email address set out in the Application Form and Authority (as updated from time to time). In some cases we may also provide written confirmation to your nominated mailing address (e.g. confirmation notices).

You must notify us promptly of each change of your nominated email address or nominated mailing address.

Fees

NAB does not charge any establishment, transaction or monthly fees for your NAB Tailored Deposits.

NAB may however where applicable, deduct from your NAB Tailored Deposits any government charges, duties or taxes relating to your NAB Tailored Deposits.

No early pre-payment

The NAB Tailored Deposits are designed to be held until maturity.

Your deposit cannot be withdrawn before maturity of the fixed term, except in exceptional circumstances and at NAB's discretion.

If NAB exercises its discretion in such circumstances, NAB may reduce the interest paid according to the proportion of the time for which the NAB Tailored Deposit was held relative to the duration of the original term. NAB may take into consideration any interest already paid to you during the term when calculating the reduction of interest. This may mean a reduction of the principal to reflect the proportion of the interest paid for the term the deposit has not been held.

Confirmations

After receipt by NAB of cleared funds in your NAB Tailored Deposit, NAB will issue to you a confirmation notice setting out the key commercial terms of your NAB Tailored Deposit.

Joint accounts

- a) If there are two or more of you, you will be treated as holding the NAB Tailored Deposit jointly. This means that each NAB Tailored Deposit holder has the right to all of the balance of the NAB Tailored Deposit, jointly with other holders.
- b) If any of you die, the NAB Tailored Deposit will be treated as the product of the survivor or survivors jointly.
- c) Unless any of you request otherwise, NAB letters or notices (including annual interest statements) will be forwarded to the mailing address or email address of the first of you named in the NAB Tailored Deposit Application Form and Authority. In the absence of evidence to the contrary, you will all be deemed to have received any NAB letters or notices forwarded in accordance with this PDS.
- d) NAB may, at its discretion, make exceptions to clauses a) to c) from time to time.

Account authority

- a) Each depositor is authorised to provide instructions for the deposit alone unless an authority is provided to NAB which specifies who is authorised to operate the account and whether they may do so alone or jointly.
- b) When a depositor authorises a person under *Account authority* clause a) that person (the Nominated Representative) is authorised to give instructions in relation to the terms of investment or re-investment in a NAB Tailored Deposit.

- c) In respect of any authority provided to NAB under *Account authority* clause a) the depositor(s) agrees that NAB may elect not to follow any instructions given under the authority if;
 - i) NAB is not satisfied that the person giving the instruction has authority (for example, if NAB is not satisfied that the signature on the instruction matches the specimen signature held);
 - ii) in NAB's opinion, the instructions are not clear;
 - iii) NAB cannot authenticate or validate any information or documents relating to the account or service, a person who is authorised to transact on it, or the transaction; or
 - iv) NAB is notified of a dispute between joint depositors (in which case NAB may require all joint depositors or Nominated Representatives to sign any authority to operate this account).
- d) In respect of any authority provided to NAB under *Account authority* clause a) the depositors agree that NAB may, by giving notice, override the authority and require that all or specific future transactions must be authorised by all depositors and/or Nominated Representatives.
- e) In respect of any authority provided to NAB under *Account authority* clause a), the depositors agree that the authority does not prevent NAB from complying with other valid depositor and/or Nominated Representative instructions.

Depositor email and telephone instructions

- a) Any email or telephone instruction provided by you for your NAB Tailored Deposit must be given to your NAB Relationship Manager (including instructions referred to in *Account authority* clause b)). Instructions can't be given by visiting a NAB branch.
- b) Any email or telephone instruction to pay principal and/or interest to any account other than the Nominated Account set out in Section E of the Application Form and Authority must be supported by a completed and signed NAB Tailored Deposits Change of Details Form.
- c) In relation to email or telephone instructions properly made by you to a NAB Relationship Manager:
 - i) NAB is authorised to accept and act upon any email or telephone instruction given to NAB which purports to have been given by you;
 - ii) NAB must receive all instructions given by email or telephone for processing on a particular day by 3pm (AEST). NAB reserves the right to hold any instructions received after this time for processing on the following Business Day;
 - iii) all depositors ratify each and every action taken by a depositor while this authority applies;
 - iv) NAB isn't responsible for any loss, damage or liability depositors may suffer or incur by reason of, or in connection with:
 - NAB acting on any email or telephone instructions which purports to have been delivered from any depositor acting individually;
 - any error in the email or telephone instructions; or
 - in the absence of a breach of obligation owed to a depositor, any delays in following an email or telephone instruction.
- d) NAB isn't liable if NAB acts on email or telephone instructions which are the result of forgery, fraud or error or are given in excess of the authority of the depositor who issues the email or telephone instruction.
- e) NAB may choose not to accept or act upon any email or telephone instruction given under this authority if for any reason we are unsatisfied that the instruction has been issued by one of the depositors. NAB may also choose to only accept or act upon an email or telephone instruction after the instruction is confirmed or further information is provided.
- f) NAB is not obliged to action any email or telephone instruction unless there are enough funds available to carry out the request.
- g) Acting reasonably and in accordance with our legitimate business interests, NAB may vary the terms of this authority by giving you at least seven days written notice.
- h) NAB may, by giving you notice, override this authority and require that all depositors authorise all or specific future email or telephone instructions on your NAB Tailored Deposit.

Governing law

The terms in this PDS and the transactions contemplated by these terms are governed by the law in force in Victoria and each party irrevocably and unconditionally submits to the non-exclusive jurisdiction of those courts.

Assignment

You acknowledge that your rights under a NAB Tailored Deposit are personal to you, and a purported dealing by you in relation to a NAB Tailored Deposit (including by way of assignment, transfer, mortgage, charge, security interest, declaration of trust or otherwise) will not be effective to give anybody other than you any rights in or to that NAB Tailored Deposit as against NAB.

6.2 General matters

Taxation

The tax implications of a NAB Tailored Deposit may vary depending on your individual circumstances and your investor type (investing entity type).

You should not rely on the general tax information contained in this PDS prior to investing to determine your personal tax obligations. You should discuss your specific taxation circumstances with, and obtain advice from, your independent tax adviser when considering whether to invest in a NAB Tailored Deposit.

NAB benefits and staff remuneration

Staff members who sell NAB Tailored Deposits are salaried employees of NAB and may be entitled to receive additional monetary or non-monetary benefits and/or rewards resulting from participation in programs conducted by NAB.

Monetary benefits or rewards may include an annual bonus, the level of which may depend on the overall performance of the NAB group of companies. Non-monetary benefits or rewards for staff members and their partner may include gift vouchers, film tickets, restaurant meals, attendance at an annual conference or other functions.

Whether staff members receive any such benefits and rewards depends on a number of performance related factors including the level of remuneration generated for NAB from sales of NAB Tailored Deposits as a consequence of the staff member's assistance.

It is not possible to determine at any given time whether a staff member will receive such benefits or rewards nor is it possible to quantify them. They are generally not directly attributable to any particular product on which the staff member has given assistance.

Remuneration to financial advisers

NAB does not pay or pass on benefits to your financial adviser or to any other person in connection with your NAB Tailored Deposits which would be prohibited conflicted remuneration under Australian law.

Only in the case that you are a wholesale client investing in your NAB Tailored Deposits through a financial adviser, you may give us an express instruction or clear consent to pay your financial adviser a fee or commission as remuneration for financial product advice given to you by the financial adviser.

Platform investors

We authorise the use of this PDS as disclosure if you invest in NAB Tailored Deposits through a Wealth Platform such as an investor directed portfolio service (IDPS) or IDPS-like scheme, Superannuation Fund Master Trust, Wrap account or a nominee or custody service.

People who invest in NAB Tailored Deposits through a Wealth Platform do not become direct investors in NAB Tailored Deposits. The operator or custodian of the master trust or wrap account will hold the assets in a trust on your behalf. The operator or custodian will be recorded as the investor in respect of NAB Tailored Deposits and will be the entity who exercises the rights and receives the benefit as a holder of NAB Tailored Deposits. Reports and documentation relating to NAB Tailored Deposits will be sent to the operator or custodian. If you invest in NAB Tailored Deposits through a master trust or wrap account, your investment may be subject to different conditions from those set out in this PDS, particularly in relation to:

- fees and expenses;
- transferring their investment in NAB Tailored Deposits; and
- receipt of principal at maturity.

Investors in Wealth Platforms should contact their adviser or operator for queries relating to their investment.

Complaints

For information about resolving problems or disputes, please contact us on 1800 152 015 or ask at any of our branches. If you have invested via a Platform, you should contact your Platform operator directly.

If you subsequently feel your complaint has not been resolved to your satisfaction, you may refer it to the Financial Ombudsman Service (FOS), of which we are a member. FOS is an external dispute resolution scheme that provides free advice and assistance to consumers to help resolve complaints relating to financial service providers.

The address of FOS is GPO Box 3, Melbourne VIC 3001 and its telephone number is 1300 780 808. Information may also be obtained at www.fos.org.au.

Privacy notification

For more information about how NAB collects, uses, shares and handles your personal information see our Privacy Policy www.nab.com.au/privacy and Privacy Notification www.nab.com.au/privacynotification. Information includes how you can:

- access and correct your information;
- make a complaint about how we manage your information; and
- the overseas locations NAB discloses personal information to.

You can ask us for a copy of these documents at any time through contacting **1800 227 611**.

Section 7

GLOSSARY

AEST Australian Eastern Standard Time.

Application Form and Authority means the form attached to this PDS.

Business Day means a day (other than a Saturday, Sunday or public holiday) on which banks are open for business in Sydney.

Interest means a monthly, quarterly or semi-annual payment (other than a principal payment) made by us under your NAB Tailored Deposit.

NAB, us, we means National Australia Bank Limited ABN 12 004 044 937.

NAB Tailored Deposit means a deposit with NAB on the terms set out in this PDS.

Nominated Account means the account identified in Section E of the Application Form and Authority to which principal and interest entitlements will be credited during the term of the deposit and/or at maturity.

Nominated Representative means your elected authorising officer(s) and/or financial adviser as identified in Section B and/or C respectively in your Application Form and Authority. These representatives have authority to provide instructions to NAB regarding your NAB Tailored Deposit.

Payment Stream means the periodic payments, comprising principal and interest, you receive over the term of your NAB Tailored Income Deposit. These payments are credited to your Nominated Account at each payment date, as per your selected payment frequency, and as specified in your Payment Stream Schedule.

Platform means an investor directed portfolio service (IDPS) or IDPS-like scheme, Superannuation Fund Master Trust, Wrap account or a nominee or custody service.

You, your means the depositor(s) who opened the NAB Tailored Deposit, and if there is more than one, you means each of them separately and every two or more of them jointly. You includes your successors and assigns and, in relation to your rights to operate the deposit, any other Nominated Representative to the deposit acting within his or her authority. For the avoidance of doubt, You may be a natural person, a company or other form of incorporated entity.



NAB Tailored Deposits Application Form and Authority

Please use blue or black pen and write in BLOCK Letters

To be completed and forwarded to your NAB Relationship Manager.

This Application Form and Authority applies to each NAB Tailored Deposit (referred to in the NAB Tailored Deposits Product Disclosure Statement (PDS) effective 7 November 2016 as updated from time to time) requested according to instructions you or your Nominated Representative(s) give to your NAB Relationship Manager and based on information included in this Application Form and Authority. The details in this Application Form and Authority will apply to each new NAB Tailored Deposit issued to you, unless updated by you via the NAB Tailored Deposits Change of Details Form submitted to your NAB Relationship Manager.

The NAB Tailored Deposits PDS (including terms and conditions) will apply to each NAB Tailored Deposit issued to you following your request to your NAB Relationship Manager. This PDS (including terms and conditions) will not be provided each time a NAB Tailored Deposit is issued to you until such time as the PDS (including terms and conditions) has been substantially changed. You will be notified of updates to the PDS or changes to the terms and conditions in accordance with the provisions in the PDS or terms and conditions respectively.

The components of each NAB Tailored Deposit will be settled in consultation with your NAB Relationship Manager, in accordance with the terms set in the NAB Tailored Deposits PDS. You'll receive a confirmation of these details when your NAB Tailored Deposit is opened.

You must answer all questions with a * so that this form can be accepted.

If you are an **Individual/joint applicant** please complete:

- Section A: **Part A only**
- Section C: If you have a **financial adviser**
- Sections D, E, F and G

If you are a **Company/Partnership/Sole Trader/Association or an Individual/Corporate Trust** please complete:

- Section A: **Part B only if you are a Company/Partnership/Sole Trader/Association**
- Section A: **Part C only if you are an Individual/Corporate Trust**
- Section B, D, E, F and G
- Section C: If you have a **financial adviser**

Section A Depositor details

Part A: Individual/joint name details

Full name(s) of individual or joint depositor(s)*

Email address*

Telephone (landline or mobile)

Mailing address*

State

Postcode

Depositor 1 Full name*

Date of birth*

TFN or reason for exemption*

NAB Customer Number or NAB Identification Number*

Are you a U.S. citizen or resident for tax purposes?* No Yes – Please provide TIN

Depositor 2 Full name*

Date of birth*

TFN or reason for exemption*

NAB Customer Number or NAB Identification Number*

Are you a U.S. citizen or resident for tax purposes?* No Yes – Please provide TIN

Depositor 3 Full name*

Date of birth*

TFN or reason for exemption*

NAB Customer Number or NAB Identification Number*

Are you a U.S. citizen or resident for tax purposes?* No Yes – Please provide TIN

Depositor 4 Full name*

Date of birth*

TFN or reason for exemption*

NAB Customer Number or NAB Identification Number*

Are you a U.S. citizen or resident for tax purposes?* No Yes – Please provide TIN**Part B: Company/Partnership/Sole Trader/Association**

Full name of Company/Partnership/Sole Trader/Association*

Email address*

Telephone (landline or mobile)

Mailing address*

State

Postcode

Country in which the company is registered*

TFN or reason for exemption*

ASIC Registered Status for companies only (Public or Private)

ABN/ACN*

Industry category in which the company operates*

Industry in which the company operates*

FATCA Self Certification

Is the company organised or incorporated in the U.S.??*

 Yes No

Is the company a financial institution?*

 Yes No

Are there any other beneficial owners of the company that are not applicants AND those beneficial owners own or control 25% or more of the company?*

 Yes No

NAB Customer Number or NAB Identification Number*

If you have answered yes to any of the above questions and you are not an existing NAB customer, please complete the FATCA Self Certification Declaration Form available on nab.com.au/adviser. Your application will not be accepted until the FATCA Self Certification Declaration Form is collected.

Part C: Individual/Corporate Trust

You will need to provide a certified copy of the Trust Deed or a certified copy of an extract showing: the name of the Trust or Fund, the names of the Trustees, the names or the class of beneficiaries, the date that the Trust was created, the country in which the Trust was established, and the execution page.

Name of Trust*

Email address*

Telephone (landline or mobile)

Mailing address*

State

Postcode

Type of Trust*

Industry in which the Trust operates*

Country in which the Trust operates*

TFN or exemption reason

ABN/ACN (if applicable)

FATCA Self Certification

Is the Trust organised or incorporated in the U.S.??*

 Yes No

NAB Customer Number or NAB Identification Number*

If yes and you are not an existing NAB customer, please complete the FATCA Self Certification Declaration Form available on nab.com.au/adviser. Your application will not be accepted until the FATCA Self Certification Declaration Form is collected.

Section B Authorising officers

Part A: Authorising officer details

Details of each person who may give instructions on behalf of the depositor(s) concerning the NAB Tailored Deposit(s) opened under this form.

Authorising officer 1 Full name*

Position*

<input type="text"/>	<input type="text"/>
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Email address*

Authorising officer 2 Full name*

Position*

<input type="text"/>	<input type="text"/>
----------------------	----------------------

Email address*

Authorising officer 3 Full name*

Position*

<input type="text"/>	<input type="text"/>
----------------------	----------------------

Email address*

Authorising officer 4 Full name*

Position*

<input type="text"/>	<input type="text"/>
----------------------	----------------------

Email address*

Part B: Identification of authorising officers

Authorising officers must complete an identity check in accordance with AUSTRAC requirements, either with your NAB Relationship Manager directly or by visiting any NAB branch. Alternatively you may appoint a 'Verifying Officer' to certify authorising officers through formal identification. Verifying Officers need to complete two items, available from their NAB Relationship Manager:

- i. A 'Letter of Appointment'. The Letter must be signed and dated by:
 - a) Two Company Directors and the Verifying Officer; or
 - b) A Director and Secretary and the Verifying Officer.
- ii. A 'Certificate of Identity' form

The Verifying Officer must deliver both of these items to their NAB Relationship Manager.

Please attach at least ONE of the below required documents

- Certified Copy of the Trust Deed
- Certified Copy of the Custodian Agreement
- Certified Copy of the Investment Management Agreement
- Custodian's Authorised Signature List
- Standard Settlement Instructions
- Fund Manager Authorised Signature List

Section C Financial adviser details

Full name*

Licensee adviser number*

<input type="text"/>	<input type="text"/>
----------------------	----------------------

Business name*

Email address*

Mailing address*

<input type="text"/>	
<input type="text"/>	<input type="text"/>

Telephone (landline or mobile)*

Licensee (if applicable)*

Adviser Signature*

Date*

<input type="text"/>	<input type="text"/>
----------------------	----------------------

Financial adviser stamp or licensee group*

Optional: Instruction to pay financial adviser (wholesale clients only)

This only applies if you are a wholesale client. If you are a retail client, NAB will not pay any commission to your financial adviser in respect of a NAB Tailored Deposit.

Amount of commission payable

<input type="text"/>	% p.a. of principal invested in your NAB Tailored Deposit
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NAB will pay this commission to your financial adviser, in arrears, during the term according to the payment frequency elected by you on application.

Subsequent NAB Tailored Deposits

Each time you request a new NAB Tailored Deposit you must arrange your commission payable (if applicable) to your financial adviser in consultation with your NAB Relationship Manager.

Section D Deposit instructions

For each NAB Tailored Deposit issued to me/us, I/we authorise NAB to debit the following account for the agreed principal:

Account name*

BSB number*

Account number*

Financial institution*

Section E Nominated Account

For each NAB Tailored Deposit issued to me/us, please pay principal and interest entitlements to the following Nominated Account:

Account name*

BSB number*

Account number*

Financial institution*

Section F Depositor authority

1. Depositor instructions

NAB agrees to accept email or telephone instructions from the depositor(s) for your NAB Tailored Deposit(s), subject to the terms of authority set out in the *Account authority* clause of the NAB Tailored Deposits PDS.

2. Nominated Representative instructions

NAB agrees to accept email or telephone instructions for your NAB Tailored Deposit(s) from Nominated Representatives (detailed in Sections B and/or C of this form), subject to the following terms of authority:

- a) Each person named as a Nominated Representative (as amended from time to time) is able to give NAB instructions by email or telephone to do the following:
 - i. Open NAB Tailored Deposit(s) with depositor funds;
 - ii. Select the components to apply to each of your NAB Tailored Deposits; and
 - iii. Elect to have principal (if applicable) and/or any additional funds (including interest) reinvested in subsequent NAB Tailored Deposits following the maturity of any of your existing NAB Tailored Deposits.
- b) Any email or telephone instruction provided by a Nominated Representative must be provided to your NAB Relationship Manager. Instructions can't be given by visiting a NAB branch.
- c) Any email or telephone instruction to pay principal and/or interest to any account other than the Nominated Account set out in Section E must be supported by a completed and signed NAB Tailored Deposits Change of Details Form.
- d) The depositor(s) agree that in relation to email or telephone instructions properly made by your Nominated Representative(s) to your NAB Relationship Manager:
 - i. NAB is authorised to accept and act upon any email or telephone instruction which purports to have been given by your Nominated Representative(s) appointed in accordance with this authority;
 - ii. NAB is under no duty to make any enquiry as to whether the telephone instructions have in fact been issued under the authority of your Nominated Representatives;
 - iii. NAB must receive all instructions given by email or telephone for processing on a particular day by 3pm (AEST). NAB reserves the right to hold any instructions received after this time for processing on the following Business Day;
 - iv. all Nominated Representatives will ratify each and every action taken by another Nominated Representative while this authority applies;
 - v. following NAB's verification of the Nominated Representative(s) who delivered the instruction, NAB isn't responsible for any loss, damage or liability the depositor(s) may suffer or incur as a result of, or in connection with:
 - NAB acting on any email or telephone instruction that purports to have been delivered from your Nominated Representative(s) on your behalf;
 - any error in the email or telephone instruction as delivered from your Nominated Representative(s); or
 - in the absence of a breach of obligation owed to a Nominated Representative, any delays in following an email or telephone instruction.
- e) NAB isn't liable if NAB acts on email or telephone instructions which are given in excess of the authority of your Nominated Representative(s) who issue/s the email or telephone instruction.
- f) NAB may choose not to accept or act upon any email or telephone instruction given under this authority if for any reason we are unsatisfied that the instruction has been issued by your Nominated Representative(s). NAB may also choose to only accept or act upon an email or telephone instruction after the instruction is confirmed or further information is provided.
- g) NAB is not obliged to action any email or telephone instruction unless there are enough funds available to carry out the request.
- h) Acting reasonably and in accordance with its legitimate business interests, NAB may vary the terms of this authority or cancel the appointment of your Nominated Representative(s) by giving at least seven days written notice.

- i) The depositor(s) may cancel the appointment of their Nominated Representative(s) at any time by giving NAB written notice. Until NAB receives the notice, NAB is entitled to continue to act on instructions of your Nominated Representative(s) and notwithstanding any inconsistent instructions given or purported to be given by the depositor(s).
- j) The depositor(s) agree that NAB may, by giving the depositor(s) notice, override this authority and require that the depositor(s) authorise all or specific instructions relating to your NAB Tailored Deposit(s).

Section G Depositor(s) declaration and signature

- a) I/We acknowledge that I/we have read and accept the NAB Tailored Deposits PDS.
- b) I/We accept that the details included in this Application Form and Authority will apply to each NAB Tailored Deposit issued on request by me/us to my/our NAB Relationship Manager.
- c) I/We accept that the NAB Tailored Deposits PDS (including terms and conditions) issued together with this Application Form and Authority will apply to all NAB Tailored Deposits requested through my/our NAB Relationship Manager until such time as they are substantially updated and/or changed.
- d) I/We have legal power to invest in accordance with the details given on the Application Form and Authority and warrant that the details given are true and correct.
- e) If I/we have signed as Nominated Representative, I/we declare that I/we have received no notice of revocation of appointment. If investing as Trustee, on behalf of a superannuation fund or trust, I/we confirm that I/we am/are acting in accordance with my/our designated powers and authority under the Trust Deed.
- f) I/We agree that I/we will be bound by email or telephone instructions that I/we or my/our Nominated Representative(s) provide to NAB in respect of a NAB Tailored Deposit and without limitation such instructions given for any of the respective NAB Tailored Deposit components.
- g) I/We agree to my/our personal information being handled in accordance with NAB's Privacy Notification www.nab.com.au/privacynotification.
- h) I/We authorise and instruct NAB to pay the commission (where applicable), stipulated in Section C, to my/our financial adviser following the establishment of my/our NAB Tailored Deposit(s).

The depositor(s) must sign below to acknowledge agreement with the above terms.

Depositor 1

Print name*

Capacity^ e.g. Director/Secretary

Signature*

Date*

Depositor 3

Print name*

Capacity^ e.g. Director/Secretary

Signature*

Date*

^If signing on behalf of a company, please state your capacity.

Depositor 2

Print name*

Capacity^ e.g. Director/Secretary

Signature*

Date*

Depositor 4

Print name*

Capacity^ e.g. Director/Secretary

Signature*

Date*

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DIRECTORY

The registered address of the issuer:

National Australia Bank Limited

Level 1

800 Bourke Street

Docklands VIC 3008

NAB Tailored Deposit Administration Team

Level 30, 500 Bourke Street

Melbourne VIC 3000

TEL: 1800 227 611