Notification of interest payment & interest rate change

Announcement Summary

Entity name

NATIONAL AUSTRALIA BANK LIMITED

Security on which the Interest Payment will be paid

NABHB - SUB BOND 3-BBSW+2.75% 18-06-22 RED T-06-17

Announcement Type

New announcement

Date of this announcement

Monday September 19, 2016

Interest Payment Amount

AUD 1.1169

Ex Date

Thursday December 8, 2016

Record Date

Friday December 9, 2016

Payment Date

Monday December 19, 2016

Additional Information

The Record Date for NAB Subordinated Notes (NABHB) is 8 days before the Payment Date.

Refer to below for full details of the announcement

Announcement Details

Part 1 - Entity and announcement details

1.1 Name of +Entity

NATIONAL AUSTRALIA BANK LIMITED

1.2 Registered Number Type

ABN

Registration Number

12004044937

1.3 ASX issuer code

NAB

1.4 The announcement is

New announcement

1.5 Date of this announcement

Monday September 19, 2016

1.6 ASX +Security Code for Interest Payment

NABHB

ASX +Security Description

SUB BOND 3-BBSW+2.75% 18-06-22 RED T-06-17

Part 2A - Interest period dates and interest payment details

Interest Rate Calendar Type

Rule 7(2), 7 calendar day

2A.1 Payment date	**2A.2 +Record Date**
Monday December 19, 2016	Friday December 9, 2016

2A.3 Ex-Date	**2A.4 First day of payment period**
Thursday December 8, 2016	Monday September 19, 2016

2A.5 Last day of payment period	**2A.6 Number of days in the payment period**
Sunday December 18, 2016	91

2A.7 Interest rate expressed as a per annum rate	**2A.8 Interest rate pro-rated for the number of days in the payment period**
4.480000 %	1.116900 %

2A.9 Currency in which the interest payment is made ("primary currency")

AUD - Australian Dollar

2A.10 Interest payment amount per +security

AUD 1.11690000

2A.10(i) Comment on how the interest payment amount per security is calculated

2A.11 Are any of the below approvals required for the interest payment before business day 0 of the timetable?

- **Security holder approval**
- **Court approval**
- **Lodgement of court order with +ASIC**
- **ACCC approval**
- **FIRB approval**
- **Another approval/condition external to the entity required before business day 0 of the timetable for the interest payment.**

No

2A.12 Is the interest payment franked?

No

2A.13 Is the interest payment payable in the form of +securities rather than cash?

No

2A.14 Does the entity have arrangements relating to currency in which the interest payment is paid to security holders that it wishes to disclose to the market?

No

2A.15 Is there a principal amount payment component payable?

No

Part 3 - Floating rate +securities - details of interest rate applicable to the payment notified in Part 2A

3.1 Date interest rate is set

Monday September 19, 2016

3.2 Comments on how the date that interest rate is set is determined

91 days from 19 September 2016 to (but not including) 19 December 2016.

3.3 Interest base rate

1.7300 %

3.4 Comments on how interest base rate is set

90 day Bank Bill Rate as at 19 September 2016 of 1.7300%pa

3.5 Interest margin

2.7500 %

3.6 Comments on how interest margin is set

The Margin was determined by the Bookbuild and is 2.7500%pa.

3.7 Any other rate/multiplier used in calculating interest rate

%

3.8 Comments on how other rate used in calculating interest rate is set
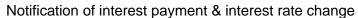
3.9 Total interest rate expressed as a per annum rate

4.4800 %

3.10 Comment on how the total interest rate expressed as a per annum rate is set

90 Day Bank Bill Rate set on 19 September 2016:	1.7300%pa
Plus Margin:	2.7500%pa
Total:	4.4800%pa

Part 4 - Further information

4.1 Please provide any further information applicable to this payment

4.2 URL link to a copy of the prospectus/PDS or further information about the +security

http://www.nab.com.au/content/dam/nabrwd/legacy/about-us/shareholder-centre/nab-subordinated-notes/documents/nab-subordinated-notes-offer-document-2012.pdf

4.3 Additional information for inclusion in the Announcement Summary

The Record Date for NAB Subordinated Notes (NABHB) is 8 days before the Payment Date.