



ASX ANNOUNCEMENT

Monday, 20 March 2017

NATIONAL AUSTRALIA BANK CLOSES THE NAB SUBORDINATED NOTES 2 OFFER

NAB today announces that the offer of NAB Subordinated Notes 2 has been successfully completed and that NAB has today issued 9,432,101 NAB Subordinated Notes 2 at \$100 each raising \$943.2 million.

Allocation Policy

All valid applications under the Securityholder Offer and the Reinvestment Offer have been accepted in full. Applicants under the Securityholder Offer and the Reinvestment Offer can obtain information about their allocation of NAB Subordinated Notes 2 by calling the NAB Information Line on 1300 367 647, between 8.00am and 7.30pm (Melbourne time) Monday to Friday until Friday, 24 March 2017.

Allocations to Syndicate Brokers under the Broker Firm Offer were determined pursuant to the Bookbuild which completed on 13 February 2017, with a scale back applied. Applicants under the Broker Firm Offer should confirm their allocation of NAB Subordinated Notes 2 with their Syndicate Broker. Successful Institutional Investors were allocated NAB Subordinated Notes 2 under the Institutional Offer.

Applications for which sufficient funds were not received have not received an allocation.

Deferred settlement trading on the Australian Securities Exchange (ASX)

NAB Subordinated Notes 2 are expected to commence trading on the ASX on a deferred settlement basis tomorrow, Tuesday 21 March 2017, at approximately 12.00pm (Melbourne time), under the code 'NABPE'.

All applicants are responsible for confirming the number of NAB Subordinated Notes 2 allocated to them prior to selling any NAB Subordinated Notes 2. Applicants who sell NAB Subordinated Notes 2 before receiving their Holding Statement or CHESS confirmation do so at their own risk.

Trading of NAB Subordinated Notes 2 on a normal T+2 settlement basis is expected to commence on Monday, 27 March 2017.

Holding Statements and refunds

Holding Statements which set out the number of NAB Subordinated Notes 2 issued to each successful applicant are expected to be despatched by Friday, 24 March 2017. Any refunds are also expected to be despatched by this date.

Issue Date VWAP

For the purposes of the Conversion calculations, as outlined in the NAB Subordinated Notes 2 Prospectus, the Issue Date VWAP is \$32.26.

If a Non-Viability Trigger Event occurs and NAB converts NAB Subordinated Notes 2 into Ordinary Shares, the number of Ordinary Shares that a Holder will receive on Conversion is limited to the Maximum Conversion Number. Based on the Issue Date VWAP and the Face Value (being \$100 per NAB Subordinated Note 2), the Maximum Conversion Number is 15.4991 Ordinary Shares per NAB Subordinated Note 2.

Interest Rate for first Interest Period

The Interest Rate for the first Interest Period is 3.9950% per annum. Subject to the terms of the NAB Subordinated Notes 2, holders of NAB Subordinated Notes 2 will receive \$1.0070 for each NAB Subordinated Note 2 for the first Interest Period.

Newspaper notices

NAB expects to publish tomorrow an advertisement in each of The Australian Financial Review and The Australian regarding the close and the basis of allocation of the Securityholder Offer and Reinvestment Offer for NAB Subordinated Notes 2. A copy of this advertisement is attached to this announcement.

Top 20 holders

A statement of the 20 largest holders of NAB Subordinated Notes 2 and a distribution schedule for the NAB Subordinated Notes 2 are attached to this announcement.

Repurchase of NAB Subordinated Notes

Under the Reinvestment Offer, 5,388,217 NAB Subordinated Notes (NSN), at \$100 each, have today been repurchased and cancelled by NAB. \$633,692,300 of NSN (representing 6,336,923 NSN at \$100 each) remains outstanding.

For information about your allocation of NAB Subordinated Notes 2 or about the Offer

Applicants under the Securityholder Offer and Reinvestment Offer may call the NAB Information Line on 1300 367 647 (within Australia) or on +61 3 9415 4299 (International) between 8:00am and 7:30pm (Melbourne time) Monday to Friday until Friday 24 March 2017 to confirm their allocation of NAB Subordinated Notes 2.

For further information:

Media

Mark Alexander
M: +61 (0) 412 171 447

Debt Investor Relations

Nova Young
M: +61 (0) 455 063 027

Unless otherwise defined, capitalised terms in this ASX announcement have the meaning given to them in the NAB Subordinated Notes 2 Prospectus dated 16 February 2017 (Prospectus).

The information provided in this ASX announcement is not investment advice and has been prepared without taking into account individual investment objectives, financial situation or particular needs (including financial and taxation issues).

Investors should consider the Prospectus and obtain advice from a financial adviser or other professional adviser in deciding whether to purchase NAB Subordinated Notes 2.

The statement does not constitute an offer in any place in which, or to any person to whom, it would not be lawful to make such an offer. In particular, the NAB Subordinated Notes 2 have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended ("Securities Act"), or the securities laws of any state or other jurisdiction of the United States and may not be offered, sold or resold in the United States or to, or for the account or benefit of, any "U.S. Person" (as defined in Regulation S under the Securities Act) unless the NAB Subordinated Notes 2 are registered under the Securities Act or an exemption from the registration requirements of the Securities Act is available.

For personal use only



IMPORTANT NOTICE

TO ALL APPLICANTS UNDER THE NAB SUBORDINATED NOTES 2 OFFER

National Australia Bank Limited ABN 12 004 044 937 (NAB) is pleased to announce that the offer of NAB Subordinated Notes 2 (Offer) has successfully closed, raising approximately \$943.2 million. Through the Offer, 9,432,101 NAB Subordinated Notes 2 have been issued at \$100 each.

NAB Subordinated Notes 2 Allocation Policy

The NAB Subordinated Notes 2 allocation policy is described below.

- All valid applications under the Securityholder Offer and the Reinvestment Offer have been accepted in full.
- A scale back was applied to Applicants under the Broker Firm Offer.

Applications for which sufficient funds were not received have not received an allocation.

NSN Reinvestment Applicants and Securityholder Applicants can obtain information about their allocation of NAB Subordinated Notes 2 by calling the NAB Information Line on the numbers listed under the 'Further Information' section of this advertisement.

Applicants under the Broker Firm Offer should confirm their allocation of NAB Subordinated Notes 2 with their Syndicate Broker.

Successful Institutional Investors were allocated NAB Subordinated Notes 2 under the Institutional Offer.

Deferred Settlement Trading

NAB Subordinated Notes 2 are expected to commence trading on the Australian Securities Exchange (ASX) on a deferred settlement basis today at approximately 12pm (Melbourne time) under the code "NABPE". Trading in NAB Subordinated Notes 2 on a normal settlement basis is expected to commence on Monday, 27 March 2017.

All Applicants are responsible for confirming the number of NAB Subordinated Notes 2 allocated to them prior to selling any NAB Subordinated Notes 2. Applicants who sell NAB Subordinated Notes 2 before receiving their Holding

Statement or CHESS confirmation do so at their own risk.

Holding Statements and Refund Cheques

Holding Statements which set out the number of NAB Subordinated Notes 2 issued to each successful Applicant are expected to be despatched by Friday, 24 March 2017. Any refunds are also expected to be despatched by this date.

Further information

NSN Reinvestment Applicants and Securityholder Applicants may call the NAB Information Line on **1300 367 647** (within Australia) or on **+61 3 9415 4299** (International) between 8.00am and 7.30pm (Melbourne time) Monday to Friday until Friday, 24 March 2017 to confirm their allocation of NAB Subordinated Notes 2.

For more information

Please visit nab.com.au/nsn2offer or call **1300 367 647** (within Australia) or **+61 3 9415 4299** (outside of Australia)

Unless otherwise defined capitalised terms in this advertisement have the same meaning given to them in the Prospectus dated 16 February 2017. The information in this advertisement is not investment advice and has been prepared without taking into account your investment objectives, financial situation or particular needs (including, financial and taxation issues). If you have any questions, you should seek advice from your financial adviser or other professional adviser.

NAB Subordinated Notes 2 do not constitute deposit liabilities of NAB, are not Protected Accounts for the purposes of the Banking Act or any other accounts with NAB and are not guaranteed or insured by any government, government agency or compensation scheme of the Commonwealth of Australia or any other jurisdiction, by any member of the Group or by any other party.

NAB Subordinated Notes 2 have not been, and will not be, registered under the US Securities Act of 1933, as amended (Securities Act) or the securities laws of any state or other jurisdiction of the United States and may not be offered, sold or resold in the United States or to, or for the account or benefit of, any "US Person" (as defined in Regulation S under the Securities Act) unless the NAB Subordinated Notes 2 are registered under the Securities Act or an exemption from the registration requirements of the Securities Act is available. Neither the Prospectus nor any Application Form or other materials relating to the Offer may be distributed in the United States.

TOP 20 HOLDERS

Rank	Name	Units	% of Units
1.	MOELIS AUSTRALIA ASSET MANAGEMENT LTD <SIV BOND FUND A/C>	330,023	3.50
2.	HSBC CUSTODY NOMINEES	306,045	3.24
3.	J P MORGAN NOMINEES AUSTRALIA LIMITED	260,123	2.76
4.	DIOCESE DEVELOPMENT FUND - CATHOLIC DIOCESE OF PARRAMATTA	206,550	2.19
5.	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED - A/C 2	156,834	1.66
6.	AUSTRALIAN EXECUTOR TRUSTEES LIMITED <NO 1 ACCOUNT>	151,491	1.61
7.	SANDHURST TRUSTEES LTD <MIF A/C>	150,000	1.59
8.	NAVIGATOR AUSTRALIA LTD <MLC INVESTMENT SETT A/C>	149,539	1.59
9.	NATIONAL NOMINEES LIMITED	132,164	1.40
10.	RBC INVESTOR SERVICES AUSTRALIA NOMINEES PTY LIMITED <BKCUST A/C>	105,507	1.12
11.	IOOF INVESTMENT MANAGEMENT LIMITED <IPS SUPER A/C>	89,456	0.95
12.	NETWEALTH INVESTMENTS LIMITED <SUPER SERVICES A/C>	78,205	0.83
13.	CITICORP NOMINEES PTY LIMITED	76,120	0.81
14.	NETWEALTH INVESTMENTS LIMITED <WRAP SERVICES A/C>	59,852	0.63
15.	LVS NOMINEES PTY LTD <SEYMOUR FAMILY A/C>	52,030	0.55
16.	NULIS NOMINEES (AUSTRALIA) LIMITED <NAVIGATOR MAST PLAN SETT A/C>	50,936	0.54
17.	NATIONAL NOMINEES LIMITED <DB A/C>	42,550	0.45
18.	BNP PARIBAS NOMINEES PTY LTD HUB24 CUSTODIAL SERV LTD DRP	42,099	0.45
19.	INVIA CUSTODIAN PTY LIMITED <GMHBA LIMITED A/C>	38,800	0.41
20.	AVANTEOS INVESTMENTS LIMITED <1259738 PARSONS A/C>	30,000	0.32
TOP 20 HOLDERS OF NAB SUBORDINATED NOTES 2		2,508,324	26.59
TOTAL REMAINING HOLDERS BALANCE		6,923,777	73.41



NATIONAL AUSTRALIA BANK LIMITED

NAB SUBORDINATED NOTES 2 AS OF 20 MARCH 2017

DISTRIBUTION SCHEDULE

Range	Total holders	Units	% of Issued Capital
1 - 1,000	9,578	3,285,032	34.83
1,001 - 5,000	1,041	2,306,341	24.45
5,001 - 10,000	86	650,835	6.90
10,001 - 100,000	51	1,283,167	13.60
100,001 - 9,999,999,999	10	1,906,726	20.22
Total	10,766	9,432,101	100.00