



Monday, 13 February 2017

ASX ANNOUNCEMENT

NAB increases the NAB Subordinated Notes 2 Offer to \$800 million and sets the Margin at 2.20%

National Australia Bank (NAB) today announced that following the successful completion of the Bookbuild, it will increase the size of its Offer of NAB Subordinated Notes 2 from \$750 million to at least \$800 million.

Following strong demand, NAB has closed the Bookbuild earlier than scheduled. NAB has allocated \$800 million of NAB Subordinated Notes 2 under the Broker Firm and Institutional Offers and the Margin has been set at 2.20% per annum, the low end of the indicative margin range of 2.20% - 2.30% per annum.

The Offer opens on Thursday 16 February 2017. The final size of the Offer may be increased further, subject to Applications accepted under the Reinvestment Offer and the Securityholder Offer.

The replacement Prospectus containing the Margin and an Application Form is expected to be lodged with ASIC and the ASX on 16 February 2017 and will be available within Australia at www.nab.com.au/nsn2offer or by calling the NAB Information Line on 1300 367 647, Monday to Friday from 8.00am to 7.30pm (Melbourne time) during the Offer Period.

The Securityholder Offer and Reinvestment Offer are expected to close on Friday 10 March 2017.

Applications may only be made using the Application Form attached to or accompanying the Prospectus. Investors should read the Prospectus and Terms of the NAB Subordinated Notes 2 in full before deciding to invest.

For Eligible Securityholders and Eligible NSN Holders who have registered to receive a paper copy of the Prospectus and a personalised Application Form, mailing is expected to commence on 22 February 2017.

If you have any questions about NAB Subordinated Notes 2 or the Offer, you should seek advice from your financial adviser or other professional adviser. You can also call the NAB Information Line on 1300 367 647 (within Australia) or on +61 3 9415 4299 (International) (Monday to Friday 8.00am – 7.30pm, Melbourne time) during the Offer Period, and for a week following.

Capitalised terms which are undefined in this announcement have the meaning given to them in the Prospectus.

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The information provided in this announcement is not investment advice and has been prepared without taking into account individual investment objectives, financial situations or particular needs (including financial and taxation issues). Investors should read the Prospectus in full and seek advice from a financial adviser or other professional adviser before deciding to invest in 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, NAB Subordinated Notes 2 have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the "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.