

Rule 2.7, 3.10.3, 3.10.4, 3.10.5

# Appendix 3B

## New issue announcement, application for quotation of additional securities and agreement

*Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.*

Introduced 01/07/96 Origin: Appendix 5 Amended 01/07/98, 01/09/99, 01/07/00, 30/09/01, 11/03/02, 01/01/03, 24/10/05, 01/08/12, 04/03/13

Name of entity

National Australia Bank Limited ("**NAB**")

ABN

12 004 044 937

We (the entity) give ASX the following information.

### Part 1 - All issues

*You must complete the relevant sections (attach sheets if there is not enough space).*

- 1 +Class of +securities issued or to be issued

Fully paid ordinary shares ("**Shares**").

- 2 Number of +securities issued or to be issued (if known) or maximum number which may be issued

Up to 193,688,974 Shares pursuant to a pro rata accelerated renounceable entitlement offer as detailed in the announcement dated 7 May 2015 ("**Entitlement Offer**"). The exact number of Shares to be issued under:

- the institutional component of the offer (and the institutional bookbuild); and
- the retail component of the offer (and the retail bookbuild),

is still to be finalised and is subject to reconciliation of shareholder entitlements and rounding.

- 3 Principal terms of the +securities (e.g. if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion)

Fully paid ordinary shares issued for cash consideration.

+ See chapter 19 for defined terms.

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4	<p>Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities?</p> <p>If the additional +securities do not rank equally, please state:</p> <ul style="list-style-type: none"> <li>• the date from which they do</li> <li>• the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment</li> <li>• the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment</li> </ul>	<p>From the issue date, the Shares will rank equally in all respects with the existing fully paid ordinary shares in NAB currently on issue, except that the Shares will not be entitled to the interim dividend for the half year period ended 31 March 2015 because the Shares will be issued after the record date for the interim dividend.</p>
5	Issue price or consideration	\$28.50 per Share.
6	Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)	<p>The purpose is to raise funds to be used to:</p> <ul style="list-style-type: none"> <li>• provide a CET1 ratio buffer above the target range ahead of anticipated regulatory changes;</li> <li>• facilitate the proposed demerger and IPO of its UK business; and</li> <li>• deliver a peer leading capital position.</li> </ul>
6a	<p>Is the entity an +eligible entity that has obtained security holder approval under rule 7.1A?</p> <p>If Yes, complete sections 6b – 6h in relation to the +securities the subject of this Appendix 3B, and comply with section 6i</p>	N/A
6b	The date the security holder resolution under rule 7.1A was passed	N/A
6c	Number of +securities issued without security holder approval under rule 7.1	N/A

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+ See chapter 19 for defined terms.

6d	Number of +securities issued with security holder approval under rule 7.1A	N/A
6e	Number of +securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)	N/A
6f	Number of +securities issued under an exception in rule 7.2	N/A
6g	If +securities issued under rule 7.1A, was issue price at least 75% of 15 day VWAP as calculated under rule 7.1A.3? Include the +issue date and both values. Include the source of the VWAP calculation.	N/A
6h	If +securities were issued under rule 7.1A for non-cash consideration, state date on which valuation of consideration was released to ASX Market Announcements	N/A
6i	Calculate the entity's remaining issue capacity under rule 7.1 and rule 7.1A – complete Annexure 1 and release to ASX Market Announcements	N/A
7	<p>+Issue dates</p> <p>Note: The issue date may be prescribed by ASX (refer to the definition of issue date in rule 19.12). For example, the issue date for a pro rata entitlement issue must comply with the applicable timetable in Appendix 7A.</p> <p>Cross reference: item 33 of Appendix 3B.</p>	<p>The issue date for Shares under the institutional component of the offer is scheduled to be 20 May 2015.</p> <p>The issue date for Shares under the retail component of the offer is scheduled to be 11 June 2015.</p>

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	<b>Number</b>	<b>+Class</b>
8    Number and +class of all +securities quoted on ASX (including the +securities in section 2 if applicable)	After the Entitlement Offer there will be up to 2,614,801,143 Shares (based on the number of fully paid ordinary shares on issue at the date of this Appendix 3B and the number of fully paid ordinary shares to be issued under the Entitlement Offer, subject to the effects of rounding)	Ordinary shares, fully paid
	20,000,000	National Income Securities (NABHA) (stapled debt/preference shares)
	11,725,140	NAB Subordinated Notes
	15,143,274	NAB Convertible Preference Shares (NABPA)
	17,171,930	NAB Convertible Preference Shares II (NABPB)
	13,428,444	NAB Capital Notes (NABPC)
		USD2,500,000,000 2.00% Fixed Rate Covered Bonds due June 2017 – Series 5 (NABHE)
		USD 1,250,000,000 2.125% Fixed Rate Cover Bonds due September 2019 – Series 23 (NABHF)

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+ See chapter 19 for defined terms.

	<b>Number</b>	<b>+Class</b>
9	66,008	Ordinary shares, partly paid and not quoted
	4,771,151	Un-exercised Performance Rights
	6,000	Denominations of US\$100,000 of Capital Notes
10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	
	No change. The Shares will not participate in the interim dividend for the half year period ending 31 March 2015.	

## Part 2 - Pro rata issue

11	Is security holder approval required?	No.
12	Is the issue renounceable or non-renounceable?	Renounceable.
13	Ratio in which the +securities will be offered	2 new ordinary shares for every 25 ordinary shares held.
14	+Class of +securities to which the offer relates	Fully paid ordinary shares.
15	+Record date to determine entitlements	7:00pm (Melbourne time) on 12 May 2015.
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	No.
17	Policy for deciding entitlements in relation to fractions	Where fractions arise in the calculation of shareholders' entitlements under the Entitlement Offer, they will be rounded up to the nearest whole number.

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| <p>18 Names of countries in which the entity has security holders who will not be sent new offer documents</p> <p><small>Note: Security holders must be told how their entitlements are to be dealt with.</small></p> <p><small>Cross reference: rule 7.7.</small></p> | <p>For the retail component of the offer, all countries other than Australia and New Zealand.</p> <p>For the institutional component of the offer, refer to the investor presentation.</p> |
| <p>19 Closing date for receipt of acceptances or renunciations</p>   | <p>The institutional component of the offer is scheduled to close on 8 May 2015.</p> <p>The retail component of the offer is scheduled to close on 1 June 2015.</p>                        |

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+ See chapter 19 for defined terms.

20	Names of any underwriters	Macquarie Capital (Australia) Limited Merrill Lynch Equities (Australia) Limited Morgan Stanley Australia Securities Limited
21	Amount of any underwriting fee or commission	<p>In relation to the institutional entitlement offer proceeds, an underwriting fee of 1.0% (excluding GST) and a management and arranging fee of 0.25% (excluding GST), and an incentive fee of 0.15% (excluding GST) (payable at NAB's discretion).</p> <p>In relation to the retail entitlement offer proceeds, an underwriting fee of 1.0% (excluding GST) and a management and arranging fee of 0.25% (excluding GST), and an incentive fee of 0.15% (excluding GST) (payable at NAB's discretion).</p>
22	Names of any brokers to the issue	N/A
23	Fee or commission payable to the broker to the issue	N/A
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of security holders	<p>A stamping fee of 0.75% (including GST) of the amount payable by the retail shareholder in respect of the relevant valid application, with the minimum amount per valid application being \$50 and maximum amount being \$250.</p> <p>The total amount of stamping fees payable by NAB is \$2.5 million (including GST) ("<b>Stamping Fee Cap</b>"), which amount may be increased by NAB in its absolute discretion. If NAB receives valid applications from retail shareholders which would, in aggregate, require NAB to pay stamping fees in excess of the Stamping Fee Cap, the amount of the stamping fee payable to brokers by NAB will be adjusted pro rata by NAB.</p> <p>NAB must also pay to each person appointed by NAB as a broker and named in the Retail Offer Booklet or any ASX announcement a fee of \$50,000 (including GST) as consideration for services performed.</p>
25	If the issue is contingent on security holders' approval, the date of the meeting	N/A

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26	Date entitlement and acceptance form and offer documents will be sent to persons entitled	No prospectus is being produced. A Retail Offer Booklet and Entitlement and Acceptance Form is scheduled to be sent to eligible retail shareholders on 18 May 2015. An investor presentation has been provided to the ASX with this Appendix 3B.
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	N/A
28	Date rights trading will begin (if applicable)	12 May 2015 (on a deferred basis) 19 May 2015 (on a normal basis)
29	Date rights trading will end (if applicable)	25 May 2015
30	How do security holders sell their entitlements <i>in full</i> through a broker?	<p>Eligible retail shareholders who wish to sell their entitlements in full on ASX must instruct their stockbroker personally and provide details as requested in the Entitlement and Acceptance Form.</p> <p>All sales on ASX of eligible retail shareholder entitlements must be effected by close of retail entitlement trading on ASX, which is scheduled to be 25 May 2015.</p>
31	How do security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	<p>Eligible retail shareholders participating in the retail entitlement offer who wish to sell part of their entitlements through a broker and accept for the balance must:</p> <ul style="list-style-type: none"> <li>• in respect of the part of their entitlement being taken up, complete and return the Entitlement and Acceptance Form with the requisite Application Monies or pay the Application Monies via BPAY by following the instructions set out in the Entitlement and Acceptance Form; and</li> <li>• in respect of the entitlements to be sold, instruct their stockbroker personally and provide details as requested from the Entitlement and Acceptance Form.</li> </ul> <p>All sales on ASX of eligible retail shareholder entitlements must be effected by close of retail entitlement trading on ASX, which is scheduled to be 25 May 2015.</p>

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- 32 How do security holders dispose of their entitlements (except by sale through a broker)?

Eligible retail shareholders participating in the retail entitlement offer who wish to transfer all or part of their entitlement to another person other than on ASX (provided that the purchaser is not a resident in the United States or acting for the account or benefit of a person in the United States) must forward a completed Renunciation and Transfer Form to the Registry. If the transferee wishes to take up all or part of the entitlement transferred to them they must send their Application Monies together with the Entitlement and Acceptance Form related to the entitlement transferred to them to the Registry.

Eligible retail shareholders participating in the retail entitlement offer can obtain a Renunciation and Transfer Form through the NAB Offer Information Line or from their stockbroker.

The Renunciation and Transfer Form as well as the transferee's Application Monies and the Entitlement and Acceptance Form related to the entitlement transferred must be received by the Registry no later than 5:00pm (Melbourne time) on 1 June 2015.

- 33 <sup>+</sup>Issue date

The issue date for Shares under the institutional component of the offer is scheduled to be 20 May 2015.

The issue date for Shares under the retail component of the offer is scheduled to be 11 June 2015.

## Part 3 - Quotation of securities

*You need only complete this section if you are applying for quotation of securities*

- 34 Type of <sup>+</sup>securities  
(tick one)

(a) ☒ <sup>+</sup>Securities described in Part 1

(b) ☐ All other <sup>+</sup>securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

### Entities that have ticked box 34(a)

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<sup>+</sup> See chapter 19 for defined terms.

**Additional securities forming a new class of securities**

*Tick to indicate you are providing the information or documents*

- 35 ☐ If the +securities are +equity securities, the names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders
- 36 ☐ If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories
- 1 - 1,000
  - 1,001 - 5,000
  - 5,001 - 10,000
  - 10,001 - 100,000
  - 100,001 and over
- 37 ☐ A copy of any trust deed for the additional +securities

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+ See chapter 19 for defined terms.

### Entities that have ticked box 34(b)

38	Number of <sup>+</sup> securities for which <sup>+</sup> quotation is sought	N/A	
39	<sup>+</sup> Class of <sup>+</sup> securities for which quotation is sought	N/A	
40	Do the <sup>+</sup> securities rank equally in all respects from the <sup>+</sup> issue date with an existing <sup>+</sup> class of quoted <sup>+</sup> securities?  If the additional <sup>+</sup> securities do not rank equally, please state: <ul style="list-style-type: none"> <li>• the date from which they do</li> <li>• the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment</li> <li>• the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment</li> </ul>	N/A	
41	Reason for request for quotation now  Example: In the case of restricted securities, end of restriction period  (if issued upon conversion of another <sup>+</sup> security, clearly identify that other <sup>+</sup> security)	N/A	
42	Number and <sup>+</sup> class of all <sup>+</sup> securities quoted on ASX (including the <sup>+</sup> securities in clause 38)	Number N/A	<sup>+</sup> Class N/A

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<sup>+</sup> See chapter 19 for defined terms.

### Quotation agreement

1       +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.

2       We warrant the following to ASX.

- The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
- There is no reason why those +securities should not be granted +quotation.
- An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
- If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.

3       We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.

4       We give ASX the information and documents required by this form. If any information or document is not available now, we will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.



Sign here: ..... Date: 7/05/2015  
Company Secretary

Print name:       Louise Thomson

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+ See chapter 19 for defined terms.