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AUSTRALIA
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Wednesday, 27 May 2015

ASX Announcement

NAB Communication to NZ shareholders regarding Retail Entitlement Offer

Attached is a copy of a communication National Australia Bank Limited (NAB) has sent to eligible retail NAB shareholders based in New Zealand in connection with NAB's 2 for 25 pro rata renounceable entitlement offer of NAB ordinary shares.

Enquiries:

If you have questions relating to the retail entitlement offer, please call the NAB Offer Information Line on 1300 367 647 (within Australia) or +61 3 9415 4299 (International) from 8.00am to 7.30pm (Melbourne time) / 10.00am to 9.30pm (NZT) Monday to Friday or visit www.nabgroup.com/shareholder

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This announcement does not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States. Neither the Entitlements nor the New Shares have been, or will 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.

Accordingly, the Entitlements and the New Shares may not be offered or sold to persons in the United States or persons acting for the account or benefit of a person in the United States, unless such Entitlements or New Shares have been registered under the Securities Act, or are offered and sold in a transaction exempt from, or not subject to, the registration requirements of the Securities Act and applicable U.S. state securities laws.

Neither this announcement nor any other documents relating to the offer of Entitlements or New Shares may be sent or distributed to persons in the United States.

Dear Shareholder,

NAB Retail Entitlement Offer - Payments by direct credit for Eligible Retail Shareholders in New Zealand

The purpose of this email is to inform you that we have created an electronic payment solution for Eligible Retail Shareholders in New Zealand wishing to pay their Application Monies to take up their full Entitlement in NAB's Retail Entitlement Offer. This means you can pay your Application Monies for New Shares by direct credit in New Zealand dollars to a Bank of New Zealand (BNZ) bank account.

If you have already made your payment in accordance with the instructions contained in the Retail Offer Booklet, you do not need to take any further action.

Please note: the ability to pay your Application Monies by direct credit only applies if you are taking up your full Entitlement. If you wish to take up only a part of your Entitlement, you will need to pay using the process outlined in the Retail Offer Booklet.

Unless otherwise defined, capitalised terms used in this email have the meaning given to them in the Retail Offer Booklet.

If you wish to use electronic payment, you need to have made the transfer and emailed us confirming this, by **no later than 5pm (NZT) / 3pm (Melbourne time) Friday 29 May 2015** to ensure your funds are received on time.

Please see below for full instructions on the steps you need to take. It is important you follow this process, as omissions or errors may mean that BNZ is unable to process the payment, which may result in you not receiving your New Shares.

1. MAKE ELECTRONIC PAYMENT

- With the Retail Offer Booklet* you received in the mail, there is an Entitlement and Acceptance Form (Form). You will need to have this Form available, as it contains all the important reference details you need to include in your payment.
- To pay, make a direct credit payment using internet banking and the following particulars:
 - a. Payee name = NABRetailOffer
 - b. Account number = 02-0108-0332787-000
 - c. Particulars = the 8-digit Entitlement number in the top right hand corner on page 2 of your Form (shown in a blue box on the extracted Form below)
 - d. Code = The number in the "Entitlement to New Shares on a 2 for 25 basis" box at the top of page 2 on your Form
 - e. Reference = Your surname
 - f. Your payment = This needs to be converted from the 'Amount payable on full acceptance at A\$28.50 per New Share' (shown in a red box on the extracted Form below), which is an Australian dollar amount included at the top of page 2 on your Form, to the New Zealand dollar equivalent. To do this, multiply the Australian dollar amount by 1.0646**. This amount needs to be rounded to two decimal places, with 0.005 or more being rounded upwards, and less than 0.005 being rounded downwards.

Entitlement and Acceptance Form		X 123456789	IND
STEP 1 Registration Name & Offer Details		For your security keep your SRN/HIN confidential.	
Registration Name:	MR JOHN SAMPLE FLAT 123 SAMPLE STREET SAMPLE STREET SAMPLE STREET SAMPLETOWN	Entitlement No: 12345678	
Offer Details:	Existing shares entitled to participate as at 7.00pm (Melbourne time) on 12 May 2015:	X,XXX	
	Entitlement to New Shares on a 2 for 25 basis:	XX	
	Amount payable on full acceptance at A\$28.50 per New Share:	\$X.XXX.XX	
STEP 2 Make Your Payment			

As an example, if your 'Entitlement to New Shares on a 2 for 25 basis' is 14 and your 'Amount payable on full acceptance at A\$28.50 per New Share' is A\$399, then your payment would be:

A\$399 x 1.0646 = NZ\$424.7754, which after rounding would be NZ\$424.78

2. CONFIRM YOUR PAYMENT VIA EMAIL

- Scan your Form and email it to NABRetailOffer@bnz.co.nz to confirm you have made a payment. Please note that you do not need to fill anything in on your Form other than your phone number.
- Please include your phone number in case we need to clarify or confirm any details in connection with your payment.

Other important information

- Your Entitlement to New Shares will not change. BNZ is providing an electronic payment facility to allow you to easily make your payment in New Zealand dollars.
- Entitlements which are not taken up by the close of the Retail Entitlement Offer and Entitlements of Ineligible Retail Shareholders will be sold through the Retail Shortfall Bookbuild. The excess of the price at which New Shares are sold under the Retail Shortfall Bookbuild over the Offer Price of A\$28.50, less expenses (the Retail Premium), will be remitted to holders of Entitlements. The Retail Premium, if any, is expected to be despatched on or about 16 June 2015.
- There is no guarantee that there will be any Retail Premium following the Retail Shortfall Bookbuild.
- The taxation implications of the Retail Entitlement Offer will vary depending upon your particular circumstances. Accordingly, you should seek and rely upon the professional advice of your own taxation or financial advisor before determining the particular taxation treatment that will apply to you.

Who to contact if you have any questions

For further information on the Entitlement Offer, please call the NAB Offer Information Line on +61 3 9415 4299 from 10am – 9.30pm (NZT) / 8am – 7.30pm (Melbourne time) Monday to Friday, or email nabservices@computershare.com.au.

If you have any further questions, you should contact your stockbroker, accountant or other professional adviser.

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'Louise Thomson', with a stylized flourish at the end.

Louise Thomson
Company Secretary

*If you haven't received your Retail Offer Booklet, and want to find out what your Entitlement is, your Entitlement and Acceptance Form is also available online:

1. Access at www.investorcentre.com.
2. If you have not logged into Investor Centre previously, select the "Access a Single Holding" button, enter your HIN/SRN, postcode and follow the prompts.
3. Click on "Statements and Documents" then choose 'Entitlement Acceptances' to view your personalised form.

**Closing Reserve Bank of Australia exchange rate on 6 May 2015 (which was the last day before the opening of the Entitlement Offer).