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12 May 2015

Ross Pullen
ASX Derivatives
Level 6, 20 Bridge Street
Sydney NSW 2000



Dear Ross,

For announcement to the market:

**Macquarie Self Funding Instalments – National Australia Bank Limited (NAB) (the “Listed Entity”)
Accelerated Pro-Rata Renounceable Entitlement Offer**

Macquarie Bank Limited (“Macquarie”) is the issuer of the following Instalment warrants over securities in the Listed Entity.

	ASX Code(s):
Self-Funding Instalments:	NABSMB, NABSMC, NABSMX & NABSMY

On 07 May 2015, the Listed Entity announced that it would undertake an Accelerated Pro-Rata Renounceable Entitlement Offer. Eligible holders in the Listed Entity are offered 2 new securities for every 25 Listed Entity securities at an issue price of \$28.50 per new security (“Offer”). The Record Date for the Offer is 12 May 2015. Further information about the announcement can be found in announcements made to the ASX by the Listed Entity.

Instalment Adjustments

Macquarie advises that pursuant to the relevant Terms of Issue, the following adjustments have been made to the above Instalments:

- The value realised for the Offer is \$0.3920 per Instalment.
- The value of the Offer (per Instalment) and a pro-rata portion of the Interest Amount* prepaid have been applied to reduce the current Loan Amount.

ASX Code	Previous Loan Amount	Value of the Offer Per Instalment	Interest Refund*	Adjusted Loan Amount
NABSMB	\$17.1512	\$0.3920	\$0.0016	\$16.7576
NABSMC	\$9.5875	\$0.3920	\$0.0016	\$9.1939
NABSMX	\$18.9292	\$0.3920	\$0.0016	\$18.5356
NABSMY	\$25.6112	\$0.3920	\$0.0016	\$25.2176

This letter assumes no other adjustments will be made to any series of Instalments before the adjustments described are made. The above mentioned Instalments will commence trading on an adjusted basis on Wednesday 13 May 2015.

* Where your Instalment has a fixed and variable interest structure, the interest refund represents a refund of the Variable Interest Amount.

If you have any questions regarding this matter please contact your Stockbroker or Financial Adviser. Alternatively, Ask Macquarie on 1800 803 010.

Yours Sincerely,
Client Service Team
Macquarie Securities Group
Macquarie Bank Limited