



National Australia Bank Limited
ABN 12 004 044 937
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AUSTRALIA
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ASX ANNOUNCEMENT

Thursday, 7 July 2016

NATIONAL AUSTRALIA BANK CLOSES THE NAB CAPITAL NOTES 2 OFFER

NAB today announces that the offer of NAB Capital Notes 2 has been successfully completed and that NAB has today issued 14,988,630 NAB Capital Notes 2 at \$100 each raising approximately \$1.5 billion.

Allocation Policy

All valid applications under the Securityholder Offer have been accepted in full. Applicants under the Securityholder Offer can obtain information about their allocation of NAB Capital Notes 2 by calling the NAB Information Line on 1300 367 647, between 8.00am and 7.30pm (AEST) Monday to Friday until 15 July 2016.

Allocations to Syndicate Brokers under the Broker Firm Offer were determined pursuant to the Bookbuild which completed on 3 June 2016, with a scale back applied. Applicants under the Broker Firm Offer should confirm their allocation of NAB Capital Notes 2 with their Syndicate Broker. Successful Institutional Investors were allocated NAB Capital 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 Capital Notes 2 are expected to commence trading on the ASX on a deferred settlement basis tomorrow, Friday 8 July 2016, at approximately 12pm (AEST), under the code 'NABPD'.

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

Trading of NAB Capital Notes 2 on a normal T+2 settlement basis is expected to commence on Tuesday 12 July 2016.

Holding Statements and refunds

Holding Statements which set out the number of NAB Capital Notes 2 issued to each successful applicant are expected to be despatched by Monday, 11 July 2016. 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 Capital Notes 2 Prospectus, the Issue Date VWAP is \$25.27.

Newspaper notices

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

Top 20 holders

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

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

Applicants under the Securityholder 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 (AEST) Monday to Friday until 15 July 2016 to confirm their allocation of NAB Capital Notes 2.

For further information:

Media

Jo Ball

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Capitalised terms which are undefined in this ASX announcement have the meaning given to them in the NAB Capital Notes 2 Prospectus dated 8 June 2016.

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 NAB Capital Notes 2 Prospectus and obtain advice from a financial adviser or other professional adviser in deciding whether to purchase NAB Capital 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 Capital 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 Capital Notes 2 are registered under the Securities Act or an exemption from the registration requirements of the Securities Act is available.

IMPORTANT NOTICE

to all applicants under the NAB Capital Notes 2 offer

National Australia Bank Limited ABN 12 004 044 937 (NAB) is pleased to announce that the offer of NAB Capital Notes 2 (Offer) has successfully closed, raising approximately \$1.5 billion. Through the Offer, 14,988,630 NAB Capital Notes 2 have been issued at \$100 each.

NAB Capital Notes 2 Allocation Policy

The NAB Capital Notes 2 allocation policy is described below.

- All valid applications under the Securityholder 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.

Applicants under the Securityholder Offer can obtain information about their allocation of NAB Capital 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 Capital Notes 2 with their Syndicate Broker. Successful Institutional Investors were allocated NAB Capital Notes 2 under the Institutional Offer.

Deferred Settlement Trading

NAB Capital Notes 2 are expected to commence trading on the Australian Securities Exchange (ASX) on a deferred settlement basis today at approximately 12pm (AEST) under the code 'NABPD'. Trading of NAB Capital Notes 2 on a normal settlement basis is expected to commence on Tuesday 12 July 2016.

All Applicants are responsible for confirming the number of NAB Capital Notes 2 allocated to them prior to selling any NAB Capital Notes 2. Applicants who sell NAB Capital 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 Capital Notes 2 issued to each successful Applicant are expected to be despatched by Monday 11 July 2016. Any refunds are also expected to be despatched by this date.

Further Information

Applicants under the Securityholder 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 (AEST) Monday to Friday until 15 July 2016 to confirm their allocation of NAB Capital Notes 2.

For more information
please call **1300 367 647** or
visit **nab.com.au/ncn2offer**

Unless otherwise defined capitalised terms in this advertisement have the same meaning given to them in the Prospectus dated 8 June 2016. 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 Capital Notes 2 are not deposit liabilities of NAB, are not Protected Accounts or any other accounts with NAB and are not insured or guaranteed 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 Capital 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 Capital 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 NAB Capital Notes 2 Holders

Rank	Name	Units	% of Units
1.	BNP PARIBAS NOMINEES PTY LTD <AGENCY LENDING DRP A/C>	3,000,000	20.02
2.	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	897,554	5.99
3.	NATIONAL NOMINEES LIMITED	315,082	2.10
4.	J P MORGAN NOMINEES AUSTRALIA LIMITED	293,342	1.96
5.	CITICORP NOMINEES PTY LIMITED	172,420	1.15
6.	NAVIGATOR AUSTRALIA LTD <MLC INVESTMENT SETT A/C>	152,915	1.02
7.	NULIS NOMINEES (AUSTRALIA) LIMITED <NAVIGATOR MAST PLAN SETT A/C>	121,200	0.81
8.	NATIONAL NOMINEES LIMITED <DB A/C>	98,568	0.66
9.	NETWEALTH INVESTMENTS LIMITED <WRAP SERVICES A/C>	77,230	0.52
10.	MELIC PTY LTD	70,000	0.47
11.	MUTUAL TRUST PTY LTD	67,900	0.45
12.	PERSHING AUSTRALIA NOMINEES PT Y LTD <ACCUM A/C>	66,175	0.44
13.	PERSHING AUSTRALIA NOMINEES PTY LTD <NO 3 A/C>	60,405	0.40
14.	SEYMOUR GROUP PTY LTD	52,039	0.35
15.	JMB PTY LIMITED	50,000	0.33

Rank	Name	Units	% of Units
16.	PAN AUSTRALIAN NOMINEES PTY LIMITED	50,000	0.33
17.	THE WALTER AND ELIZA HALL INSTITUTE OF MEDICAL RESEARCH	50,000	0.33
18.	WILLIMBURY PTY LTD	50,000	0.33
19.	MELIC PTY LIMITED <THE MELIC UNIT A/C>	48,000	0.32
20.	MELIC PTY LTD	46,000	0.31
Totals: Top 20 holders of NAB Capital Notes 2		5,738,830	38.29
Total Remaining Holders Balance		9,249,800	61.71

NAB Capital Notes 2 Range of Units

Range	Total holders	Units	% of Issued Capital
1 - 1,000	12,186	4,317,559	28.81
1,001 - 5,000	1,362	3,054,911	20.38
5,001 - 10,000	97	754,996	5.04
10,001 - 100,000	71	1,908,651	12.73
100,001 - 9,999,999,999	7	4,952,513	33.04
Rounding			0.00
Total	13,723	14,988,630	100.00