Notification of dividend / distribution

Announcement Summary

Entity name

NATIONAL AUSTRALIA BANK LIMITED

Security on which the Distribution will be paid

NABPD - CAP NOTE 2 DEFERRED SETTLEMENT

Announcement Type

New announcement

Date of this announcement

Friday July 8, 2016

Distribution Amount

AUD 1.22010000

Ex Date

Wednesday September 28, 2016

Record Date

Thursday September 29, 2016

Payment Date

Friday October 7, 2016

Additional Information

This announcement is in relation to the first Distribution Period for NAB Capital Notes 2 (NABPD), which were issued by National Australia Bank Limited on 7 July 2016. The Distribution Rate for NAB Capital Notes 2 for the first Distribution Period beginning on (and including) 7 July 2016 to (but not including) 7 October 2016 is 4.8405% per annum.

This has been calculated in accordance with the NAB Capital Notes 2 terms as follows:

90 day Bank Bill Rate on 7 July 2016:	1.9650 % p.a.
Plus Margin:	4.9500 % p.a.
	6.9150 % p.a.
Multiplied by (1 - Tax Rate):	0.70
Dividend Rate:	4.8405 % p.a.

The Distribution Rate equates to a cash amount of Distribution per NAB Capital Note 2 of $1.2201, fully franked, payable on 7 October 2016. This is based on 92 days in the first Distribution Period. The Record Date for the first Distribution is 29 September 2016.

For more information, refer to the NAB Capital Notes 2 Prospectus dated 8 June 2016.
www.nab.com.au/about-us/shareholder-centre/alternative-securities/nab-capital-notes2.html

Refer to below for full details of the announcement

Announcement Details

Part 1 - Entity and announcement details

1.1 Name of +Entity

NATIONAL AUSTRALIA BANK LIMITED

1.2 Registered Number Type

ABN

Registration Number

12004044937

1.3 ASX issuer code

NAB

1.4 The announcement is

New announcement

1.5 Date of this announcement

Friday July 8, 2016

1.6 ASX +Security Code

NABPD

ASX +Security Description

CAP NOTE 2 DEFERRED SETTLEMENT

Part 2A - All dividends/distributions basic details

2A.1 Type of dividend/distribution

Ordinary

2A.2 The Dividend/distribution:

relates to a period of one quarter

2A.3 The dividend/distribution relates to the financial reporting or payment period ending ended/ending (date)

Thursday October 6, 2016

2A.4 +Record Date

Thursday September 29, 2016

2A.5 Ex Date

Wednesday September 28, 2016

2A.6 Payment Date

Friday October 7, 2016

2A.7 Are any of the below approvals required for the dividend/distribution before business day 0 of the timetable?

- **Security holder approval**
- **Court approval**
- **Lodgement of court order with +ASIC**
- **ACCC approval**
- **FIRB approval**
- **Another approval/condition external to the entity required before business day 0 of the timetable for the dividend/distribution.**

No

2A.8 Currency in which the dividend/distribution is made ("primary currency")

AUD - Australian Dollar

2A.9 Total dividend/distribution payment amount per +security (in primary currency) for all dividends/distributions notified in this form

AUD 1.22010000

Estimated or Actual?

Actual

2A.10 Does the entity have arrangements relating to the currency in which the dividend/distribution is paid to securityholders that it wishes to disclose to the market?

No

2A.11 Does the entity have a securities plan for dividends/distributions on this +security?

We do not have a securities plan for dividends/distributions on this security

2A.12 Does the +entity have tax component information apart from franking?

No

Part 3A - Ordinary dividend/distribution

3A.1 Is the ordinary dividend/distribution estimated at this time?

No

3A.1a Ordinary dividend/distribution estimated amount per +security

AUD

3A.1b Ordinary Dividend/distribution amount per security

AUD 1.22010000

3A.2 Is the ordinary dividend/distribution franked?

Yes

3A.2a Is the ordinary dividend/distribution fully franked?

Yes

3A.3 Percentage of ordinary dividend/distribution that is franked

100.0000 %

3A.3a Applicable corporate tax rate for franking credit (%)

30.0000 %

3A.4 Ordinary dividend/distribution franked amount per +security

AUD 1.22010000

3A.5 Percentage amount of dividend which is unfranked

0.0000 %

3A.6 Ordinary dividend/distribution unfranked amount per +security excluding conduit foreign income amount

AUD 0.00000000

3A.7 Ordinary dividend/distribution conduit foreign income amount per security

AUD 0.00000000

Part 3D - Preference +security distribution rate details

3D.1 Start date of payment period

Thursday July 7, 2016

3D.2 End date of payment period

Thursday October 6, 2016

3D.3 Date dividend/distribution rate is set (optional)

Thursday July 7, 2016

3D.4 Describe how the date that dividend/distribution rate is set is determined

The Distribution Rate for the first Distribution Period is determined on the Issue Date.

3D.5 Number of days in the dividend/distribution period

92

3D.6 Dividend/distribution base rate (pa)

1.9650 %

3D.7 Comments on how dividend/distribution base rate is set

90 day Bank Bill Rate as at 7 July 2016.

3D.8 Dividend/distribution margin

4.9500 %

3D.9 Comments on how dividend/distribution margin is set

Margin is 4.9500% pa and will not change for the term of the NAB Capital Notes 2.

3D.10 Any other rate / multiplier used in calculating dividend/distribution rate

-2.0745 %

3D.11 Comments on how other rate used in calculating dividend/distribution rate is set

3D.12 Total dividend/distribution rate for the period (pa)

4.8405 %

3D.13 Comment on how total distribution rate is set

Distribution Rate = (Bank Bill Rate + Margin) x (1 - Tax Rate)

Part 5 - Further information

5.1 Please provide any further information applicable to this dividend/distribution

5.2 Additional information for inclusion in the Announcement Summary

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www.nab.com.au/about-us/shareholder-centre/alternative-securities/nab-capital-notes2.html