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FOR IMMEDIATE RELEASE TO THE MARKET

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Participating Organisation of the
Australian Stock Exchange

**National Australia Bank Limited Instalments – Loan Amount
Adjustments in respect of National Australia Bank Limited Demerger**

UBS AG Australia Branch ("UBS") is the issuer of the below series of instalment warrants (collectively known as "NAB Instalments" in this announcement) over fully paid ordinary shares of National Australia Bank Limited ("NAB"). Each NAB Instalment has been offered under the corresponding Product Disclosure Statements ("PDS") listed in the table below.

Series	Date of PDS or Master PDS	Date of SPDS or Term Sheet
NABISA	16/02/2011	15/06/2015
NABISB	16/02/2011	29/10/2015
NABISI	17/10/2014	17/10/2014
NABISN	19/05/2011	7/10/2011
NABISQ	19/05/2011	4/06/2014
NABSSA	25/09/2014	17/10/2014
NABSSL	16/10/2015	16/10/2015
NABSSM	23/05/2011	5/06/2015
NABSSN	23/05/2011	4/06/2015
NABSSO	23/05/2011	29/05/2015
NABSSP	23/05/2011	29/04/2015
NABSSQ	23/05/2011	13/03/2015
NABSSS	2/02/2009	9/11/2009
NABSST	2/02/2009	16/05/2011
NABSSW	25/09/2014	11/06/2015

This announcement concerns adjustments which UBS intends to make to the terms of the NAB Instalments as a result of the announcement by NAB of the demerger of CYBG PLC ("CYBG") from NAB ("NAB Demerger") by a scheme of arrangement and capital reduction. This demerger involves an in-specie distribution of 1 CYBG CHESS Depository Interest (CDI) for every 4 existing NAB shares held on 5 February 2016 (indicatively). Full details of the NAB Demerger are set out in the announcement by NAB dated 7 December 2015 (which can be found at www.asx.com.au).

Further to our announcement dated 2 February 2016, and as updated on 3 February 2016, the Loan Amount for the NAB Instalments will be reduced by the value of the CYBG CDIs per NAB ordinary share ("Entitlement Value") and an Interest Refund amount. The relevant Entitlement Value is \$0.9940 per NAB Instalment.

In relation to the NAB Instalments:

New Loan Amount = Old Loan Amount – Entitlement Value – Interest Refund

Warrant Code	Old Loan Amount / Completion Payment	Entitlement Value	Interest Refund	New Loan Amount / Completion Payment	New Capped Level
NABISA	\$32.5000	\$0.9940	\$0.0100	\$31.4960	\$38.0960
NABISB	\$31.0000	\$0.9940	\$0.0100	\$29.9960	\$36.2460
NABISI	\$16.7950	\$0.9940	\$0.0107	\$15.7903	N/A
NABISN	\$31.1640	\$0.9940	\$0.0121	\$30.1579	N/A
NABISQ	\$35.9820	\$0.9940	\$0.0121	\$34.9759	N/A
NABSSA	\$17.3429	\$0.9940	\$0.0107	\$16.3382	N/A
NABSSL	\$17.9100	\$0.9940	\$0.0107	\$16.9053	N/A
NABSSM	\$35.3955	\$0.9940	\$0.0126	\$34.3889	\$40.2734
NABSSN	\$35.0855	\$0.9940	\$0.0126	\$34.0789	\$39.5634
NABSSO	\$35.4395	\$0.9940	\$0.0124	\$34.4331	\$40.4136
NABSSP	\$35.0855	\$0.9940	\$0.0126	\$34.0789	\$39.9034
NABSSQ	\$38.4197	\$0.9940	\$0.0049	\$37.4208	\$45.1811
NABSSS	\$9.1914	\$0.9940	\$0.0121	\$8.1853	N/A
NABSST	\$14.8189	\$0.9940	\$0.0121	\$13.8128	N/A
NABSSW	\$36.9975	\$0.9940	\$0.0113	\$35.9922	N/A

The NAB Instalments are expected to recommence trading from Friday 5 February 2016 with the new Loan Amounts and Capped Levels. Unless otherwise stated, all terms used in this letter have the same meaning as in the PDS.

If you have any questions regarding this announcement please contact your financial adviser or call the UBS Warrant Sales Desk on 1800 633 100.

Yours sincerely,

UBS AG, Australia Branch



UBS AG, Australia Branch

Anand Kannan
Associate Director



UBS AG, Australia Branch

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Manager - Equities Settlements

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