

ASX ANNOUNCEMENT

Tuesday, 17 December 2013

NATIONAL AUSTRALIA BANK CLOSES THE NAB CPS II OFFER

NAB today announced that the offer of NAB Convertible Preference Shares II (NAB CPS II) had been successfully completed. NAB has issued 17,171,930 NAB CPS II at \$100 each raising approximately \$1.72 billion.

Allocation Policy

All valid applications under the Securityholder Offer and General Offer have been accepted in full. Applicants under the Securityholder Offer and General Offer can obtain information about their allocation of NAB CPS II by calling the NAB Information Line on 1300 367 647, Monday to Friday from 8.00am to 7.30pm (AEDT) until 23 December 2013.

Allocations to Syndicate Brokers under the Broker Firm Offer were determined pursuant to the Bookbuild completed on 19 November 2013, with a scale back applied. Applicants under the Broker Firm Offer should confirm their allocation of NAB CPS II with their Syndicate Broker. Successful Institutional Investors were allocated NAB CPS II under the Broker Firm Offer.

Applications for which sufficient funds were not received have not received an allocation.

Deferred settlement trading on the Australian Securities Exchange (ASX)

NAB CPS II are expected to commence trading on the ASX on a deferred settlement basis at approximately 12pm (AEDT) on Wednesday, 18 December 2013, under the code 'NABPB'.

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

Trading of NAB CPS II on a normal T+3 settlement basis is expected to commence on Monday, 23 December 2013.

Holding Statements and refunds

Holding Statements which set out the number of NAB CPS II issued to each successful Applicant are expected to be despatched by Friday, 20 December 2013. Any refunds are also expected to be despatched by this date.

Dividend Rate

The Dividend Rate for NAB CPS II for the first Dividend Period beginning on (and including) 17 December 2013 and ending on (but excluding) 17 March 2014 is 4.0880% per annum.

This has been calculated in accordance with the NAB CPS II Terms as follows:

90 day Bank Bill Rate on 17 December 2013:	2.5900 %	p.a.
Plus Margin:	3.2500 %	p.a.
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	5.8400 %	p.a.
Multiplied by (1 – Tax Rate):	0.70	
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Dividend Rate:	4.0880 %	p.a.

This Dividend Rate equates to a dividend amount of \$1.0080 in respect of each NAB CPS II payable on the 17 March 2014 Dividend Payment Date. This is based on 90 days in the first Dividend Period. The Record Date for the first Dividend is 27 February 2014.

Dividends are expected to be fully franked, and accordingly Holders are expected to receive a combination of cash Dividends and franking credits.

Issue Date VWAP

For the purposes of the Conversion calculations, as outlined in the NAB CPS II Prospectus, the Issue Date VWAP is \$33.86.

Tax ruling

NAB applied to the Australian Taxation Office for a Class Ruling confirming certain tax consequences for Resident Holders of NAB CPS II. The ATO issued the Class Ruling on 27 November 2013 as CR 2013/93, with the content of the Class Ruling being as expected. A copy of the Class Ruling is available from the Shareholder Centre page at www.nabgroup.com/shareholder and the ATO website at www.ato.gov.au.

Newspaper notices

NAB will publish advertisements in The Australian Financial Review, The Australian, The Age and The Sydney Morning Herald regarding the close and the basis of allocation of the Securityholder and General Offers for NAB CPS II on Wednesday, 18 December 2013. A copy of this advertisement is attached to this announcement.

For information about your allocation of NAB CPS II or about the Offer

Applicants under the Securityholder Offer and General 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 (AEDT) Monday to Friday until 23 December 2013 to confirm their allocation of NAB CPS II.

For further information:

Media

Fiona Macrae
M: 0412 693 182

Brian Walsh
M: 0411 227 585

Capitalised terms which are undefined in this ASX announcement have the meaning given to them in the NAB CPS II Prospectus.

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 CPS II Prospectus and obtain advice from a financial adviser or other professional adviser in deciding whether to purchase NAB CPS II.

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 CPS II have not been, and will not be, registered under the U.S. Securities Act of 1933 ("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) absent registration or an applicable exemption from the registration requirements.



Important notice to all applicants under the NAB CPS II offer

National Australia Bank Limited
ABN 12 004 044 937 (NAB)
is pleased to announce that
the offer of NAB CPS II (Offer)
has successfully closed raising
approximately \$1.72 billion.
Through the Offer, 17,171,930
NAB CPS II have been issued at
\$100 each.

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

NAB CPS II Allocation Policy

The NAB CPS II allocation policy is described below.

- All valid applications under the Securityholder Offer and General 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 and General Offer can obtain information about their allocation of NAB CPS II by calling the NAB Information Line on the numbers provided below.

Applicants under the Broker Firm Offer should confirm their allocation of NAB CPS II with their Syndicate Broker. Successful Institutional Investors were allocated NAB CPS II under the Broker Firm Offer.

Deferred Settlement Trading

NAB CPS II are expected to commence trading on the Australian Securities Exchange (ASX) on a deferred settlement basis today at approximately 12pm (AEDT) under the code "NABPB". Trading of NAB CPS II on a normal settlement basis is expected to commence on Monday 23 December 2013.

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

Holding Statements and Refund Cheques

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Dividend Rate

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Issue Date VWAP

For the purposes of the Conversion calculations, as outlined in the NAB CPS II Prospectus, the Issue Date VWAP is \$33.86.

Further Information

Applicants under the Securityholder Offer and General 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 (AEDT) Monday to Friday until 23 December 2013 to confirm their allocation of NAB CPS II.

Unless otherwise defined capitalised terms in this advertisement have the same meaning given to them in the Prospectus dated 20 November 2013. 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). You should seek advice from your financial adviser or other professional adviser.

NAB CPS II 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 CPS II 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) except pursuant to an effective registration statement or an exemption from the registration requirements of the Securities Act. Neither the Prospectus nor any Application Form or other materials relating to the Offer may be distributed in the United States.