

ASX ANNOUNCEMENT

Monday, 18 June 2012

NATIONAL AUSTRALIA BANK CLOSES THE NAB SUBORDINATED NOTES OFFER

NAB today announced that the NAB Subordinated Notes Offer had been successfully completed, raising \$1.17 billion of Tier 2 capital. NAB has issued 11,725,140 NAB Subordinated Notes at \$100 each.

Allocation Policy

The NAB Subordinated Notes allocation policy is described below:

- All valid applications under the Securityholder and General Offer have been accepted in full.
- A scale back was applied to Applicants under the Broker Firm Offer and Institutional Offer.

Online applications under the Securityholder and General Offer for which BPAY® payments were not received and applications that were accompanied by cheques that were subsequently dishonoured have not received an allocation.

NAB Securityholder and General Offer Applicants can obtain information about their allocation of NAB Subordinated Notes by calling the NAB Information Line on 1300 367 647, Monday to Friday from 8.00am to 7.30pm (AEST).

Applicants under the Broker Firm Offer should confirm their allocation of NAB Subordinated Notes with their Syndicate Broker. Successful Institutional investors under the Institutional Offer have been advised of their allocation of NAB Subordinated Notes.

Deferred settlement trading on the Australian Securities Exchange (ASX)

NAB Subordinated Notes are expected to commence trading on the ASX on a deferred settlement basis at 12.00pm tomorrow, 19 June 2012, under the ASX code of "NABHB".

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

Trading on a normal T+3 settlement basis is expected to commence on 22 June 2012.

Holding Statements

Holding Statements stating the number of NAB Subordinated Notes issued to each successful Applicant are expected to be despatched by 21 June 2012.

Interest Rate

The Interest Rate for the NAB Subordinated Notes for the first Interest Period beginning on (and including) 18 June 2012 and ending on (but excluding) 18 September 2012 is 6.2433% per annum.

This has been calculated in accordance with the NAB Subordinated Notes Terms as follows:

90 day Bank Bill Rate on 18 June 2012	3.4933%
Plus Margin	2.7500%
Interest Rate	6.2433%

The Interest Rate equates to an interest amount of \$1.5737 in respect of each NAB Subordinated Note payable on the 18 September 2012 Interest Payment Date. This is based on 92 days in the first Interest Period.

The Record Date for this Interest Payment Date is 10 September 2012.

Following the first Interest Period, the Interest Rate will be set quarterly on the first day of each subsequent Interest Period.

For information about your allocation of NAB Subordinated Notes or about the Offer

NAB Securityholder and General Offer Applicants can obtain information about their NAB Subordinated Notes by calling the NAB Information Line on 1300 367 647, Monday to Friday from 8.00am to 7.30pm (AEST).

NAB will publish advertisements in The Australian Financial Review, The Australian, The Age and The Sydney Morning Herald regarding the close, the Issue Price and the basis of allocation of the Securityholder and General Offer for NAB Subordinated Notes on Tuesday 19 June 2012. A copy of this advertisement is attached to this announcement.

Unless otherwise defined, capitalised terms in this announcement have the same meaning given to them in the NAB Subordinated Notes Offer Document dated 21 May 2012.

For further information:

Media

Brian Walsh
M: +61 (0) 411 227 585

Meaghan Telford
M: +61 (0) 457 551 211

NAB Information Line

1300 367 647, Monday to Friday from 8.00am to 7.30pm (AEST)

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 Subordinated Notes Offer Document and advice from a financial adviser or other professional adviser in deciding whether to purchase NAB Subordinated Notes.

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 Subordinated Notes have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the "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 Subordinated Notes Offer

National Australia Bank Limited is pleased to announce that the NAB Subordinated Notes Offer has successfully closed raising A\$1.17 billion (prior to Offer expenses). Through the Offer, 11,725,140 NAB Subordinated Notes have been issued at \$100 each.

Offer closed

NAB Subordinated Notes allocation policy

The NAB Subordinated Notes 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 and Institutional Offer.

Applications that were accompanied by cheques that were subsequently dishonoured and online Applications for which BPAY® payments were not received have not received an allocation.

Applicants under the Securityholder Offer and General Offer can obtain information about their allocation of NAB Subordinated Notes by calling the NAB Information Line on the numbers provided under 'Further information'.

Applicants under the Broker Firm Offer should confirm their allocation of NAB Subordinated Notes with their Syndicate Broker. Successful Institutional Investors under the Institutional Offer have been advised of their allocation of NAB Subordinated Notes by the Sole Arranger, Lead Manager and Bookrunner.

Deferred settlement trading

The NAB Subordinated Notes are expected to commence trading on the Australian Securities

Exchange on a deferred settlement basis today at approximately 12.00pm (AEST) under the code 'NABHB'. Trading of NAB Subordinated Notes on a normal settlement basis is expected to commence on Friday 22 June 2012.

All Applicants are responsible for confirming the number of NAB Subordinated Notes allocated to them prior to selling any NAB Subordinated Notes. Applicants who sell NAB Subordinated Notes 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 Subordinated Notes issued to each successful Applicant are expected to be despatched by Thursday 21 June 2012. Any refunds are also expected to be despatched by this date.

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 (AEST) Monday to Friday to confirm their allocation of NAB Subordinated Notes.

Unless otherwise defined capitalised terms in this advertisement have the same meaning given to them in the Offer Document dated 21 May 2012. 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 Subordinated Notes are unsecured, subordinated debt obligations of NAB. In a winding-up of NAB, if there are insufficient assets to satisfy claims ranking ahead of the NAB Subordinated Notes, you will lose all of the money you invested in NAB Subordinated Notes as you will not be repaid any or all of the money you invested in the NAB Subordinated Notes and you may not receive any or all of the interest payments that are due and unpaid at that time. NAB Subordinated Notes do not constitute deposit liabilities of NAB, are not protected accounts or any other accounts and are not guaranteed or insured by any government.

NAB Subordinated Notes 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 re-sold in the United States, or to, or for the benefit of, any "U.S. 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.

® Registered to BPAY Pty Limited ABN 69 079 137 518