

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 1/7/96. Origin: Appendix 5. Amended 1/7/98, 1/9/99, 1/7/2000, 30/9/2001, 11/3/2002, 1/1/2003, 24/10/2005.

Name of entity

National Australia Bank Limited

ABN

12 004 044 937

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- | | | |
|---|--|---|
| 1 | +Class of +securities issued or to be issued | Convertible Preference Shares (NAB CPS) |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | 15,143,274 NAB CPS |
| 3 | Principal terms of the +securities (eg, if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | <p>See Sections 1 and 2 of the Prospectus. Capitalised terms have the meaning set out in the Prospectus.</p> <p>NAB CPS are fully paid preference shares issued by NAB, which will Mandatorily Convert into Ordinary Shares on the Mandatory Conversion Date (subject to certain conditions being satisfied).</p> <p>The Mandatory Conversion Date is 22 March 2021 provided that all of the Mandatory Conversion Conditions are satisfied.</p> |

+ See chapter 19 for defined terms.

If any of the Mandatory Conversion Conditions are not satisfied on the Mandatory Conversion Date, NAB CPS continue to be on issue and Conversion is deferred until the next Dividend Payment Date on which all of the Mandatory Conversion Conditions are satisfied.

With the prior written approval of APRA, NAB also has the option to Convert, Redeem or Resell all or some of NAB CPS on 20 March 2019, or following the occurrence of a Tax Event or Regulatory Event. With the prior written approval of APRA, NAB also has the option to Convert the NAB CPS following a Potential Acquisition Event.

Upon Conversion, NAB CPS Holders will receive approximately \$101 worth of Ordinary Shares per NAB CPS (based on the VWAP during the 20 Business Days before the Mandatory Conversion Date).

If an Acquisition Event occurs, NAB must convert all NAB CPS into a number of Ordinary Shares with a value of \$101 (based on the VWAP during a period, usually 20 Business Days before the Acquisition Conversion Date).

If a Loss Absorption Event occurs, NAB will be required to immediately Convert NAB CPS (or, if applicable, a proportion of NAB CPS) into Ordinary Shares (or, where that is not possible, to Write Off NAB CPS).

Dividends on NAB CPS are non-cumulative, based on a floating rate and are expected to be fully franked. Dividends are scheduled to be paid quarterly in arrears in cash, but are only payable subject to the discretion of the Directors, which means they may not be paid. Dividends are also only payable if a Payment Condition does not exist on the Dividend Payment Date.

NAB CPS Holders generally do not have voting rights, except in the limited circumstances described in the NAB CPS Terms.

<p>4 Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?</p> <p>If the additional securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment 	<p>Yes, with respect to the payment of dividends and in a winding-up - see clauses 16.1 and 16.3 of the NAB CPS Terms in Appendix A of the Prospectus.</p> <p>Ranking in relation to Dividends</p> <p>In respect of payment of Dividends, NAB CPS rank in priority to Ordinary Shares, equally and without any preference amongst themselves, and equal with other securities issued by NAB from time to time ranking equally with NAB CPS in respect of payments of dividends or distributions.</p> <p>Ranking in a winding-up</p> <p>In a winding up of NAB, NAB CPS rank in priority to Ordinary Shares, equally and without preference amongst themselves, equally with Equal Ranking Instruments and junior to creditors of NAB, including depositors.</p>
<p>5 Issue price or consideration</p>	<p>\$100 per NAB CPS</p>
<p>6 Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p>The offer of NAB CPS forms part of NAB's capital management strategy, with the NAB CPS proceeds being used for general corporate purposes.</p>
<p>7 Dates of entering +securities into uncertificated holdings or despatch of certificates</p>	<p>21-25 March 2013</p>

+ See chapter 19 for defined terms.

8	Number and ⁺ class of all ⁺ securities quoted on ASX (including the securities in clause 2 if applicable)	2,342,421,436	Fully paid ordinary shares
		20,000,000	National Income Securities (stapled debt/preference shares).
		11,725,140	NAB Subordinated Notes
		U.S.\$2,500,000,000	2.00% Fixed Rate Covered Bonds due 2017 under the U.S.\$20,000,000,000 NAB Covered Bond Programme.
		15,143,274	NAB Convertible Preference Shares

	Number	⁺ Class	
9	Number and ⁺ class of all ⁺ securities not quoted on ASX (including the securities in clause 2 if applicable)	97,479	Ordinary shares partly paid and not quoted.
		1,400,897	Un-exercised Options.
		5,893,974	Un-exercised Performance Rights.
		6,000	Denominations of US\$100,000 of Capital Notes.

10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	Dividends on NAB CPS are non-cumulative, based on a floating rate and are expected to be fully franked. Dividends are scheduled to be paid quarterly in arrears in cash, but are only payable subject to the discretion of the Directors, which means they may not be paid. Dividends are also only payable if a Payment Condition does not exist on a Dividend Payment Date.
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Part 2 - Bonus issue or pro rata issue

- 11 Is security holder approval required?
- 12 Is the issue renounceable or non-renounceable?
- 13 Ratio in which the ⁺securities will be offered

⁺ See chapter 19 for defined terms.

- | | | |
|----|---|----------------------|
| 14 | +Class of +securities to which the offer relates | <input type="text"/> |
| 15 | +Record date to determine entitlements | <input type="text"/> |
| 16 | Will holdings on different registers (or subregisters) be aggregated for calculating entitlements? | <input type="text"/> |
| 17 | Policy for deciding entitlements in relation to fractions | <input type="text"/> |
| 18 | Names of countries in which the entity has +security holders who will not be sent new issue documents

<small>Note: Security holders must be told how their entitlements are to be dealt with.
Cross reference: rule 7.7.</small> | <input type="text"/> |
| 19 | Closing date for receipt of acceptances or renunciations | <input type="text"/> |
| 20 | Names of any underwriters | <input type="text"/> |
| 21 | Amount of any underwriting fee or commission | <input type="text"/> |
| 22 | Names of any brokers to the issue | <input type="text"/> |
| 23 | Fee or commission payable to the broker to the issue | <input type="text"/> |
| 24 | Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of +security holders | <input type="text"/> |
| 25 | If the issue is contingent on +security holders' approval, the date of the meeting | <input type="text"/> |
| 26 | Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled | <input type="text"/> |
| 27 | If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders | <input type="text"/> |
| 28 | Date rights trading will begin (if applicable) | <input type="text"/> |
| 29 | Date rights trading will end (if applicable) | <input type="text"/> |
| 30 | How do +security holders sell their entitlements <i>in full</i> through a broker? | <input type="text"/> |
| 31 | How do +security holders sell <i>part</i> of their entitlements through a broker and accept for the balance? | <input type="text"/> |

+ See chapter 19 for defined terms.

32 How do +security holders dispose of their entitlements (except by sale through a broker)?

33 +Despatch date

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

34 Type of securities
(tick one)

(a) Securities described in Part 1

(b) All other securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

35 If the +securities are +equity securities, the names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders

Refer to table of 20 largest holders attached to this Appendix 3B.

36 If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories

1 - 1,000
1,001 - 5,000
5,001 - 10,000
10,001 - 100,000
100,001 and over

Refer to distribution schedule attached to this Appendix 3B.

37 A copy of any trust deed for the additional +securities

+ See chapter 19 for defined terms.

Entities that have ticked box 34(b)

38	Number of securities for which +quotation is sought	Not Applicable							
39	Class of +securities for which quotation is sought	Not Applicable							
40	<p>Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?</p> <p>If the additional securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment 	Not Applicable							
41	<p>Reason for request for quotation now</p> <p>Example: In the case of restricted securities, end of restriction period</p> <p>(if issued upon conversion of another security, clearly identify that other security)</p>	Not Applicable							
42	Number and +class of all +securities quoted on ASX (including the securities in clause 38)	<table border="1"> <thead> <tr> <th data-bbox="786 1317 1090 1350">Number</th> <th data-bbox="1090 1317 1375 1350">+Class</th> </tr> </thead> <tbody> <tr> <td data-bbox="786 1350 1090 1536">Not Applicable</td> <td data-bbox="1090 1350 1375 1536">Not Applicable</td> </tr> </tbody> </table>	Number	+Class	Not Applicable	Not Applicable	<table border="1"> <thead> <tr> <th data-bbox="1090 1317 1375 1350">+Class</th> </tr> </thead> <tbody> <tr> <td data-bbox="1090 1350 1375 1536">Not Applicable</td> </tr> </tbody> </table>	+Class	Not Applicable
Number	+Class								
Not Applicable	Not Applicable								
+Class									
Not Applicable									

+ See chapter 19 for defined terms.

Quotation agreement

1 +Quotation of our additional +securities is in ASX’s absolute discretion. ASX may quote the +securities on any conditions it decides.

2 We warrant the following to ASX.

- The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
- There is no reason why those +securities should not be granted +quotation.
- An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
- If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.

3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.

4 We give ASX the information and documents required by this form. If any information or document not available now, will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.



Sign here:
(Company secretary)

Date: 20 March 2013

Print name: Michaela Healey

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+ See chapter 19 for defined terms.

NATIONAL AUSTRALIA BANK LIMITED
CONVERTIBLE PREFERENCE SHARES As of 20 Mar 2013
Top Holders Snapshot - Ungrouped
Composition : PA

Rank	Name	Address	Units	% of Units
1.	UBS WEALTH MANAGEMENT AUSTRALIA NOMINEES PTY LTD		886,835	5.86
2.	NAVIGATOR AUSTRALIA LTD <MLC INVESTMENT SETT A/C>		306,850	2.03
3.	J P MORGAN NOMINEES AUSTRALIA LIMITED		221,566	1.46
4.	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED		213,790	1.41
5.	NATIONAL NOMINEES LIMITED		172,490	1.14
6.	NULIS NOMINEES (AUSTRALIA) LIMITED <NAVIGATOR MAST PLAN SETT A/C>		139,610	0.92
7.	NETWEALTH INVESTMENTS LIMITED <WRAP SERVICES A/C>		113,785	0.75
8.	AVANTEOS INVESTMENTS LIMITED <UTILITY A/C>		107,040	0.71
9.	DIMBULU PTY LTD		100,000	0.66
10.	JP MORGAN NOMINEES AUSTRALIA LIMITED <CASH INCOME A/C>		96,810	0.64
11.	BOND STREET CUSTODIANS LTD		91,980	0.61
12.	PERSHING AUSTRALIA NOMINEES PTY LTD <NO 3 A/C>		80,118	0.53
13.	DNU NOMINEES PTY LIMITED		72,243	0.48
14.	VESADE PTY LTD		65,850	0.43

Rank	Name	Address	Units	% of Units
15.	ORIENT GLOBAL HOLDINGS PTY LTD <AL'N'ALL A/C>		65,000	0.43
16.	QUESTOR FINANCIAL SERVICES LIMITED <TPS RF A/C>		62,110	0.41
17.	BOND STREET CUSTODIANS LIMITED <MPPMIM - V16636 A/C>		61,050	0.40
18.	CITICORP NOMINEES PTY LIMITED		58,000	0.38
19.	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED - A/C 2		57,330	0.38
20.	RANDAZZO C & G DEVELOPMENTS PTY LTD		50,000	0.33
Totals: Top 20 holders of CONVERTIBLE PREFERENCE SHARES			3,022,457	19.96
Total Remaining Holders Balance			12,120,817	80.04



NATIONAL AUSTRALIA BANK LIMITED

CONVERTIBLE PREFERENCE SHARES As of 20 Mar 2013

Distribution Schedule

	1 to 1,000	1,001 to 5,000	5,001 to 10,000	10,001 to 100,000	100,001 to (MAX)	TOTAL
Holder						
Issuer	1,974	252	32	16	0	2,274
CHESS	14,394	1,371	91	68	8	15,932
Total	16,368	1,623	123	84	8	18,206
Unit						
Issuer	625,743	673,060	286,300	428,741	0	2,013,844
CHESS	5,063,905	3,107,301	722,042	2,074,216	2,161,966	13,129,430
Total	5,689,648	3,780,361	1,008,342	2,502,957	2,161,966	15,143,274