

14 October 2013

Mr Dean Litis  
Principal Adviser Listings Compliance (Melbourne)  
ASX Compliance Pty Ltd  
Level 4, North Tower Rialto  
525 Collins Street  
MELBOURNE

Dear Dean

**Appendix 3Y - Change in Director's Interest Notice – Mr John A Waller**

Attached for release to the market is an Appendix 3Y in relation to a change in Mr Waller's notifiable interest on 28 March 2013.

The purpose of this letter is to explain why the timing for this lodgement is outside the timeframe required under Listing Rule 3.19A.

**Background**

Mr John Waller is a director of National Australia Bank Limited (NAB). When Mr Waller was appointed as a non-executive director of NAB in February 2009, he had a relevant interest in 250,000 Perpetual Non-Cumulative Shares in BNZ Income Securities Limited ("BNZISL Shares"). BNZ Income Securities Limited ("BNZISL") is a related body corporate of NAB.

In accordance with the constitution of BNZISL, on the scheduled call date of 28 March 2013, NAB exercised its right to call the BNZISL Shares and a NAB Group entity (namely National Equities Limited) acquired all of the BNZISL Shares.

BNZISL notified the market by notice to the NZX on 19 February 2013 that NAB was exercising its right to call the BNZISL Shares. On 28 March 2013, the market was notified that the call had been exercised. The total price paid for each BNZISL Share was NZ\$1.

The call and purchase resulted in a change in Mr Waller's notifiable interest in the BNZISL Shares.

**Identification of the issue**

Failure to disclose the change in Mr Waller's notifiable interest was a genuine oversight by the director and NAB.

The change in the director's notifiable interest was discovered as a result of the processes applied to collate and prepare the disclosures and reporting required in relation to NAB directors and senior executives in NAB's 2013 financial statements and report. As part of those processes, directors are asked to complete a detailed Related Party Questionnaire. It was the recent completion and submission to NAB of this questionnaire by Mr Waller that has brought the matter to the attention of the NAB team responsible for preparing and making the necessary disclosures.

## Compliance arrangements

In accordance with NAB's obligations under the ASX Listing Rules, each director undertakes in writing to provide NAB with information in relation to their notifiable interests to enable NAB to comply with its disclosure requirements under ASX Listing Rule 3.19A.

While NAB believes that the systems currently in place are effective to monitor compliance and ensure that NAB is able to meet its disclosure obligations under ASX Listing Rule 3.19A, NAB will take steps to further reinforce the disclosure obligations with all directors.

In addition, to prevent this occurring again, NAB is taking steps to strengthen existing internal controls so that details of changes to directors' relevant interests in similar circumstances are promptly notified to the ASX in accordance with its disclosure obligations.

NAB takes its compliance obligations seriously and sincerely regrets that this failure to disclose a change to the notifiable interest of a director occurred.

If you have any further queries regarding this matter, please do not hesitate to contact me.

A handwritten signature in blue ink, appearing to read 'Louise Thomson', with a large, stylized initial 'L'.

Louise Thomson  
Group Company Secretary  
National Australia Bank Limited

## Appendix 3Y

### Change of Director's Interest Notice

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

**Name of Entity** NATIONAL AUSTRALIA BANK LIMITED  
**ABN** 12 004 044 937

We (the entity) give ASX the following information under listing rule 3.19A.2 and as agent for the Director for the purposes of section 205G of the Corporations Act.

**Name of Director** John Anthony WALLER  
**Date of last notice** 16 June 2011

#### Part 1 - Change of Director's relevant interest in securities

*Note: In the case of a trust, this includes interests in the trust made available by the responsibility entity of the trust.*

<b>Direct or indirect interest</b>	As shown
<b>Nature of indirect interest (including registered holder)</b> Note: provide details of the circumstances giving rise to the relevant interest	As shown
<b>Dates of changes</b>	28 March 2013
<b>No. of securities held prior to changes</b>	4,000 ordinary shares 250,000 BNZISL Preference Shares
<b>Class</b>	BNZISL Preference Shares
<b>Number of Options exercised</b>	N/A
<b>Number Executive Options lapsed</b>	N/A
<b>Number acquired</b>	N/A
<b>Number disposed</b>	250,000 BNZISL Preference Shares
<b>Value/consideration of disposal</b> Note: If consideration is non-cash, provide details and estimated valuation	NZ\$250,000
<b>No of securities held after changes</b>	4,000 ordinary shares
<b>Nature of changes</b> Example: on-market trade, off-market trade, exercise of options, issue of securities under dividend reinvestment plan, participation in buy-back	Call on shares exercised by National Australia Bank Limited pursuant to the constitution of BNZ Income Securities Limited.

## Part 2 - Change of Director's interest in contracts

Note: In the case of a Company, interests which come within paragraph (ii) of the definition of "notifiable interest of a director" should be disclosed in this part.

<b>Detail of contract</b>	N/A
<b>Nature of interest</b>	
<b>Name of registered holder (if issued securities)</b>	
<b>Date of change</b>	
<b>No. and class of securities to which interest related prior to change</b> Note: Detail are only required for a contract in relation to which the interest has changed	
<b>Interest acquired</b>	
<b>Interest disposed</b>	
<b>Value/consideration</b> Note: If consideration is non-cash, provide details and an estimate valuation	
<b>Interest after change</b>	

## Part 3 - <sup>+</sup>Closed period

<b>Were the interests in the securities or contracts detailed above traded during a <sup>+</sup>closed period where prior written clearance was required?</b>	NO
<b>If so, was prior written clearance provided to allow the trade to proceed during this period?</b>	N/A
<b>If prior written clearance was provided, on what date was this provided?</b>	N/A



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LOUISE THOMSON  
Group Company Secretary  
14 October 2013

+ See chapter 19 for defined terms