



Tuesday, 23 May 2017

ASX Announcement

S&P Hybrid and Subordinated Debt Credit Rating Revision

National Australia Bank Limited (NAB) notes that, on Monday 22 May 2017, S&P Global Ratings (S&P) left the ratings of the four major Australian banks, including NAB, unchanged at AA-/Negative/A-1+ (long term/outlook/short term).

S&P has however lowered the assessment of the Stand Alone Credit Profiles (SACP) of almost all the financial institutions operating in Australia including NAB and the other major Australian banks by one notch, reflecting its view of increased economic risks.

As a result, the S&P rating of NAB's hybrid and subordinated debt was lowered by one notch with the following revised ratings:

- Basel II hybrid instruments from BBB to BBB-
- Basel III hybrid instruments from BBB- to BB+
- Basel II subordinated debt from A- to BBB+
- Basel III subordinated debt from BBB+ to BBB
- Undated Subordinated Floating Rate Notes from BBB+ to BBB

S&P's Bank of New Zealand (BNZ) senior unsecured credit rating and outlook remain unchanged at AA- (negative), however as with NAB, BNZ's Basel III subordinated debt rating was lowered one notch from BBB+ to BBB.

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