ASX and Media Release

21 September 2016

MyState Bank Limited successfully prices Tier 2 $10m subordinated debt issue

Hobart, Wednesday, 21 September 2016: MyState Limited (ASX:MYS), the banking and wealth management group, is pleased to announce today that its wholly owned subsidiary, MyState Bank Limited (the "Issuer") has successfully priced $10m of 10-year, non call 5-year, Tier 2 subordinated notes under its Medium Term Note (MTN) programme.

Under the Australian Prudential Regulation Authority's (APRA) capital adequacy framework the notes will qualify as Tier 2 capital. The notes include the following terms:

- A term of 10 years (maturing 28 September 2026);
- The notes will pay interest quarterly at a floating rate equal to the three-month bank bill swap reference rate (BBSW) plus a margin of 4.25% per annum;
- The issuer has the option to redeem the notes at face value on 28 September 2021 and every quarterly interest payment date thereafter up to the maturity date and for certain regulatory events (in each case subject to APRA's prior written approval); and
- If APRA deem MyState Limited or the Issuer to be non-viable, the notes will convert to ordinary shares of MyState Limited.

MyState Limited's Managing Director, Melos Sulicich, said "This successful transaction allows the Group to build greater diversity into our capital base following our inaugural issue in August 2015. Importantly, this transaction priced well within the previous issue price reflecting strong support from investors."

ENDS

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About MyState Limited

MyState Limited is the ASX-listed non-operating holding company of the diversified financial services group consisting of MyState Bank (including The Rock – A division of MyState Bank) and Tasmanian Perpetual Trustees, a trustee and wealth management company. MyState Bank is regulated by the Australian Prudential Regulatory Authority. MyState Bank and Tasmanian Perpetual Trustees hold Australian Financial Services Licences issued by the Australian Securities and Investments Commission.