



ASX/Media Release

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Standard & Poor's raises MyState Bank rating to 'BBB+'

S&P Global Ratings (S&P) has announced that it has raised its long-term credit issuer rating of MyState Bank (MSB) to 'BBB+' with a negative outlook from 'BBB' with a developing outlook, based on an improved risk profile. MyState Bank is a subsidiary of MyState Limited (ASX:MYS).

In its report, S&P noted that "Tasmania-based MyState Bank's continuing evolution of its risk management practices in recent years has resulted in an improved risk profile for the bank" and further that "MyState Bank's strengthened executive team is equipped to manage the risks associated with the bank's continued accelerated loan growth, which reached 1.4x that of the Australian banking system as a whole in fiscal 2016."

The negative outlook assigned to MyState Bank's raised 'BBB+' rating is consistent with the moves by S&P earlier this year to revise its outlook on the rating of banks in Australia to "negative", citing a potential scenario of a one-in-three chance of increasing property prices and private sector debt.

S&P's base-case re-affirms the expectation that growth in private sector debt and property prices will moderate and remain relatively low in the next two years, and would result in the outlook on the rating of Australian banks being revised to 'stable'.

MyState Limited's Managing Director, Mr Melos Sulicich, said "S&P's decision to raise MyState Bank's credit rating to 'BBB+' is testament to our sustainable growth strategy which is underpinned by contemporary risk management practices and a very strong balance sheet."

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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.