



Media Release

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Moody's methodology change leads to downgrade of Australian bank subordinated debt ratings

Moody's Investors Service (Moody's) announced today that it has downgraded the subordinated debt ratings of eight Australian banks including ANZ. The ratings applied to senior debt obligations and standalone baseline credit assessments were not affected.

This follows Moody's announcement on 3 June 2013 that it had placed Australian bank subordinated debt ratings on "Review for Downgrade" due to the ratings uplift which was in place under Moody's prior assessment of systemic support.

Today's ratings actions are consistent with Moody's revised ratings approach which now assumes as a base case that bank subordinated debt will not benefit from systemic support. This new approach has already led to various ratings downgrades of subordinated debt across other banking systems.

In its announcement, Moody's confirmed that the downgrades of Australian bank subordinated debt ratings "does not reflect any change in the banks' intrinsic credit quality" and no other ratings are impacted. ANZ's long term issuer rating of Aa2 and short term issuer rating of P-1 remain unchanged. All ratings are on stable outlook.

The revised ANZ ratings are:

- Subordinated debt: downgraded from Aa3 to A2
- Junior Subordinated debt: downgraded from A2 to A3

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