



Thursday, 2 April 2020

ASX ANNOUNCEMENT

NAB notes RBNZ Release

National Australia Bank Limited (NAB) notes today's release by the Reserve Bank of New Zealand (RBNZ) outlining changes to the Conditions of Registration that will apply to New Zealand banks, including NAB's wholly-owned subsidiary Bank of New Zealand (BNZ), with immediate effect.

The RBNZ has put in place a restriction on the payment of dividends on ordinary shares, regardless of a bank's capital ratio, to further support the stability of the financial system during this period of economic uncertainty. The RBNZ has also informed the New Zealand banks that they should not redeem non-CET1 capital instruments during this period.¹

These measures will remain in place until further notice. The RBNZ has indicated its aim of relaxing these measures when the economic outlook has sufficiently recovered.

These measures are in addition to the RBNZ's already announced deferral of the implementation of its revised capital requirements for New Zealand banks. In response to the impacts of COVID-19 and to support credit availability, the RBNZ has delayed the start date of its new capital requirements by 12 months – to 1 July 2021.

NAB does not anticipate that this restriction on the payment of ordinary dividends by BNZ will have a material impact on NAB's Level 1 capital position. The restriction does not impact NAB's Level 2 capital ratio.

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The release of this announcement was authorised by the Disclosure Committee.

¹ BNZ's only external capital instrument is the BNZ Subordinated Notes, issued in December 2015, which has a first optional call date on 17 December 2020. Any redemption of BNZ Subordinated Notes on an optional call date, should BNZ choose to exercise this right to redeem, is subject to the prior written approval of APRA and the RBNZ. Investors in the BNZ Subordinated Notes should not expect that such approval will be given.