

News Release

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ANZ comments on APRA Information Paper – 'Establishing Unquestionably Strong Capital Ratios'

ANZ advises it is comfortable with its Common Equity Tier-1 (CET1) capital position following the release of the Australian Prudential Regulation Authority (APRA) Information Paper 'Strengthening banking system resilience – establishing unquestionably strong capital ratios'.

Under the new framework, Authorised Deposit Taking Institutions using Advanced Internal Ratings Based models will be required to target a CET1 ratio of around 10.5% by January 2020 inclusive of buffers.

"ANZ's reported capital position as at 31 March 2017 highlighted the Groups' strong organic capital generation. Together with the benefits from announced but yet to be completed asset sales, ANZ is well placed to achieve the strengthened capital standards, and to do so well ahead of the schedule outlined by APRA", said ANZ Chief Financial Officer Michelle Jablko.

ANZ's APRA CET1 capital ratio as at 31 March 2017 was 10.1%, equivalent to an APRA CET1 of 10.5% on a proforma basis.

Proforma takes into account the capital benefit from previously announced asset sales, which remain subject to regulatory approvals and settlement (ANZ's 20% stake in Shanghai Rural Commercial Bank, UDC and the Retail and Wealth businesses in 6 Asian countries), and the increase in the average risk weight for ANZ's Australian Residential mortgages outlined in ANZ's announcement on 1 June 2017.

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