

U.S. Investor Website Update

For release: July 20, 2017

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 APRA CET1 capital ratio as at March 31, 2017 was 10.1%, equivalent to an APRA CET1 of 10.5% on an estimated 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 June 2, 2017.