



## U.S. Investor Website Update

### ANZ comments on APRA capital study

On July 13, 2015, ANZ commented on the International Capital Comparison Study released by the Australian Prudential Regulation Authority (APRA).

The APRA Study found that relative to June 2014:

- Australian banks are well capitalised and when reported on a more consistent basis relative to international peers, their Common Equity Tier One (CET1) ratios “would, on average, be in the order of 300 basis points higher”<sup>1</sup>.
- Major Australian banks would require an increase of “around 70 basis points”<sup>2</sup> in CET1 capital and at least 200 basis points in total capital to be placed in top quartile of international banks.

ANZ Chief Financial Officer Shayne Elliott said: “We have been planning for an increase in capital levels for some time following the changes to the Basel international capital framework and the recent Financial System Inquiry. In this regard our CET1 position has been further strengthened from the 8.3% reported as at June 2014.

“APRA’s indication of an increase in CET1 from June 2014 is within the range we have been planning for. As we have said previously, we have a number of options for managing our capital including organic capital generation, balance sheet management and the disposal of non-core assets.

“ANZ will continue to work with APRA on the detail of these changes and our capital management plans,” Mr Elliott said.

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<sup>1</sup> APRA International Capital Comparison Study, 13 July 2015, page 6.

<sup>2</sup> APRA Study, page 24.