



Media Release

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ANZ comments on APRA capital changes for banks using internal rating-based approach

ANZ today commented on the changes announced by the Australian Prudential Regulation Authority (APRA) to capital requirements for banks using internal ratings-based approach to credit risk.

As part of the APRA changes, from 1 July 2016 the average credit risk weight applied to Australian residential mortgage lending for ANZ will increase from ~15% to ~25%.

Based on ANZ's 31 March 2015 Financial Report, the APRA change in average credit risk weights to 25% will require ANZ to allocate approximately AU\$2.3 billion of additional capital to the bank's Australian mortgage lending book.

The impact to ANZ's capital position of approximately 55 basis points is largely as expected following the Financial Services Inquiry and is manageable during the APRA transition timetable to 1 July 2016.

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