

Senate Standing Committee on Economics

ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Supplementary Estimates 22-23 October 2008

Question: sbt 14

Topic: Capital ratios

Hansard Page: Written

Senator Eggleston asked:

1. Does APRA consider capital ratios should be altered?

Answer:

APRA has flexibility under its prudential standards to require ADIs to hold specified levels of capital. APRA's supervisory processes ensure that there is a regular review of ADI capital positions against their risk profile and the economic environment.