



# ASX announcement

## APRA's revisions to the related entities framework

**Tuesday, 20 August 2019 (SYDNEY):** Commonwealth Bank of Australia (**CBA**) today notes the release by Australian Prudential Regulatory Authority (**APRA**) on revisions to the related entities framework for Authorised Deposit-taking institutions (**ADIs**).

The reforms include broadening the definition of related entities, a reduction to the limits on exposures to related entities and revisions to the Extended Licensed Entities (**ELE**) framework. The new requirements will be effective from 1 January 2021.

APRA confirmed that, among other changes, it will reduce the limits for Australian ADIs' exposures to related entities from 50% of Level 1 Total capital to 25% of Level 1 Tier 1 capital.

As previously disclosed, sufficient capacity exists under the reduced limits to accommodate CBA's exposures to its related entities, including the additional capital requirement for New Zealand banks proposed by the RBNZ.

APRA's announcement is available at [www.apra.gov.au](http://www.apra.gov.au).

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