Senate Economics References Committee

ANSWERS TO QUESTIONS ON NOTICE

Financial Regulatory Framework and Home Ownership

Agency: Australian Prudential Regulation Authority
Question No: 1
Topic: Capital
Reference: Spoken
Senator: Senator Bragg

Question:
CHAIR: Okay. How much capital is currently being held against mortgages across the banking system? Do you have that number there?
Dr Carmody: Do you mean in dollar terms?
CHAIR: Dollar terms, yes.
Dr Carmody: I don't think we've got that particular number.
CHAIR: Can you take that on notice?
Dr Carmody: I can certainly take that one on notice.
CHAIR: And can you also take on notice how much capital is being held against first home loan mortgages? Do you have that distinction in your dataset?
Dr Carmody: We mightn't have it cut in that direction. I suspect we don't have it cut in that way, but I can certainly confirm that.

Answer:
Across the banking system, $137 billion of capital are estimated to have been allocated by banks against mortgages as at 30 June 2024 (estimated by pro-rating total capital with the share of mortgages in risk weighted assets). This capital should be considered relative to the total credit exposure to mortgages of $2.6 trillion, and includes not just minimum capital requirements by APRA, but also various buffers individual banks decide to add.

APRA does not collect data on how much of this capital is attributed to first home buyers' mortgages.