

BASEL III PILLAR 3

Capital Adequacy and Risk

Disclosures as at 30 June 2022



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Table 3 Capital Adequacy	30 June 2022	31 March 2022
	\$M	\$M
Risk Weighted Assets (RWA)		
Subject to Standardised Approach		
Residential Mortgages	7,029.9	7,057.7
Other Retail Loans	212.1	192.4
Bank	200.0	152.9
Corporate	238.4	259.5
Other	2.1	2.6
Securitisation	11.1	12.2
Total Risk Weighted Assets for Credit Risk Exposures	7,693.6	7,677.3
Market Risk RWA	10.2	3.8
Operational Risk RWA	1,361.6	1,330.4
Total Risk Weighted Assets	9,065.4	9,011.5
Capital Ratios (%)	%	%
Common Equity Tier 1 Ratio	10.4%	9.8%
Tier 1 Capital Ratio	12.9%	12.3%
Total Capital Ratio	15.9%	15.3%

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Table 4 Credit Risk

Table 4 (A)	30 June 2022		31 March 2022	
	As At	Average	As at	Average
Credit Exposure by Types	\$M	\$M	\$M	\$M
Cash and balances with Central Banks	314.3	213.9	421.2	771.9
Loans and advances to banks	64.0	69.9	70.4	211.4
Equity securities	0.2	0.2	0.2	0.2
Debt securities	3,799.2	3,651.6	3,438.5	2,842.6
Loans and advances to customers	19,222.6	19,220.7	19,244.5	18,955.9
Other assets	202.6	188.9	189.9	179.4
Total Gross Credit Risk	23,602.9	23,345.2	23,364.7	22,961.4
Non-market related off-balance sheet credit exposures	478.3	461.9	461.3	497.7
Market related off-balance sheet credit exposures	454.3	404.1	290.7	192.9
Total Exposures	24,535.5	24,211.2	24,116.7	23,652.0

Credit Exposure by Portfolios

Residential mortgages	19,320.9	19,297.5	19,327.8	19,104.5
Other retail claims	211.2	215.9	203.1	169.6
Bank	854.6	718.5	564.2	543.2
Government	3,908.7	3,735.3	3,759.8	3,570.2
Corporate	238.4	242.1	259.6	262.7
Other assets	1.7	1.9	2.2	1.8
Total Exposures	24,535.5	24,211.2	24,116.7	23,652.0

Table 4 (B)

By Portfolios	30 June 2022	31 March 2022
	As At	As At
	\$M	\$M
Amount of Impaired Facilities		
Residential Mortgages	56.2	76.4
Corporate/ Specialised Lending	183.5	180.9
Past Due Facilities ¹		
Residential Mortgages	74.3	86.2
Corporate/ Specialised Lending	45.1	57.5
Specific Provisions	80.1	89.1
Charges for specific provisions during the period	(9.6)	(0.5)
Write-offs during the period	0.2	0.1

Table 4 (C)

General Reserve for Credit Losses	25.0	25.5
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¹ With the implementation of the new APS220 standard (Credit Risk Management) effective 1 January 2022, past due facilities disclosed in March 2022 include all facilities that are 90 days or more past due irrespective of whether they are impaired facilities. Previous disclosures of past due facilities exclude those already reported as impaired facilities.

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Table 5 Securitisation

	30 June 2022		31 March 2022	
	Total amount of exposure securitised	Recognised gain or loss on sale	Total amount of exposure securitised	Recognised gain or loss on sale
	\$M	\$M	\$M	\$M
Table 5 (A) - Total securitisation activity				
Loans sold into securitisation SPVs	493.3	-	-	-
RMBS investments	-	-	-	-
Total securitisation activity for the reporting period	493.3	-	-	-
Table 5 (B) - Total securitisation exposures retained or purchased				
Securitisation Facility Type				
On-balance sheet securitisation exposures				
RMBS investments	35.1		38.9	
Other	81.2		93.8	
Total securitisation exposures	116.3		132.7	
Off-balance sheet securitisation exposures				
Funding facilities	17.9		17.0	
Liquidity facilities	-		-	
Total securitisation exposures	17.9		17.0	

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Liquidity Coverage Ratio Disclosure

In accordance with APS 210 Liquidity, AMP Bank has been required to maintain a minimum Liquidity Coverage Ratio (LCR) of 100%. The LCR requires banks to hold sufficient High Quality Liquid Assets (HQLA) to meet expected net cash outflows under an APRA-prescribed 30 calendar day stress scenario.

AMP Bank manages its daily LCR requirement to board and management level buffers consistent with the Bank's risk appetite. The LCR changes on a daily basis in the ordinary course of business due to changes in the Bank's expected net cash outflows and its composition of liquid assets.

Cash inflows and outflows are calculated in accordance with APS 210. APRA-prescribed run-off factors are applied to AMP Bank's liabilities based on the nature, stability and source of the funding. AMP Bank maintains a diversified deposit and funding mix without undue concentration.

AMP Bank holds a diversified portfolio of liquid assets consisting of HQLA, cash and repo-eligible securities with the Reserve Bank of Australia (RBA). HQLA includes Commonwealth Government Securities, Australian Semi-Government Securities and deposits with the RBA.

AMP Bank has been compliant with the LCR prudential requirements at all times. The average LCR for the quarter was 135% (31 March 2022: 138%).

Table 20 Liquidity Coverage Ratio

		30 June 2022		31 March 2022	
		Total unweighted value (average)	Total weighted value (average)	Total unweighted value (average)	Total weighted value (average)
		\$M	\$M	\$M	\$M
Liquid assets, of which:					
1	High-quality liquid assets (HQLA)		3,616		3,452
2	Alternate liquid assets (ALA)		683		893
3	Reserve Bank of New Zealand (RNBZ) securities		-		-
Cash outflows					
4	Retail deposits and deposits from small business customers, of which;	13,450	2,176	12,678	1,999
5	stable deposits	2,330	117	2,215	111
6	less stable deposits	11,120	2,059	10,463	1,888
7	Unsecured wholesale funding	1,578	762	1,642	879
8	operational deposits (all counterparties) and deposits in networks for cooperative banks	-	-	-	-
9	non-operational deposits (all counterparties)	1,516	700	1,464	701
10	unsecured debt	62	62	178	178
11	Secured wholesale funding		-		48
12	Additional requirements, of which:	2,897	359	2,959	331
13	outflows related to derivatives exposures and other collateral requirements	144	144	105	105
14	outflows related to loss of funding on debt products	55	55	68	68
15	credit and liquidity facilities	2,700	160	2,786	158
16	Other contractual funding obligations	-	-	-	-
17	Other contingent funding obligations	1,108	108	1,241	164
18	Total cash outflows		3,405		3,421
Cash inflows					
19	Secured lending	-	-	-	-
20	Inflows from fully performing exposures	147	73	161	86
21	Other cash inflows	156	156	176	176
22	Total cash inflows	303	229	337	262
			Total Adjusted Value		Total Adjusted Value
			\$M		\$M
23	Total liquid assets		4,299		4,345
24	Total net cash outflows		3,176		3,159
25	Liquidity coverage ratio (%)		135%		138%
	Number of data points used (Business Days)		61		62