

# **BASEL III PILLAR 3**

Capital Adequacy and Risk

Disclosures as at 30 September 2022



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**AMP Bank Limited, Basel III Pillar 3 Disclosures, 30 September 2022**

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Table 3      Capital Adequacy	30 September 2022 <sup>1</sup>	30 June 2022 <sup>1</sup>
	\$M	\$M
<b>Risk Weighted Assets (RWA)</b>		
<b>Subject to Standardised Approach</b>		
Residential Mortgages	7,143.8	7,029.9
Other Retail Loans	187.0	212.1
Bank	462.2	274.8
Corporate	228.8	236.4
Other	2.4	2.1
Securitisation	10.8	11.1
<b>Total Risk Weighted Assets for Credit Risk Exposures</b>	<b>8,035.0</b>	<b>7,766.4</b>
<b>Market Risk RWA</b>	<b>14.3</b>	<b>10.2</b>
<b>Operational Risk RWA</b>	<b>1,379.6</b>	<b>1,379.6</b>
<b>Total Risk Weighted Assets</b>	<b>9,428.9</b>	<b>9,156.2</b>
<b>Capital Ratios (%)</b>	<b>%</b>	<b>%</b>
<b>Common Equity Tier 1 Ratio</b>	<b>10.4%</b>	<b>10.6%</b>
<b>Tier 1 Capital Ratio</b>	<b>12.8%</b>	<b>13.0%</b>
<b>Total Capital Ratio</b>	<b>15.7%</b>	<b>16.0%</b>

1. The disclosure requirements of APS 330 have been prepared on a Level 2 basis following the grant of non-operating holding company (NOHC) authority to AMP Limited by APRA during the year.

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**Table 4 Credit Risk**

Table 4 (A)	30 September 2022 <sup>1</sup>		30 June 2022 <sup>1</sup>	
	As At	Average	As at	Average
Credit Exposure by Types	\$M	\$M	\$M	\$M
Cash and balances with Central Banks	290.9	235.0	314.3	213.9
Loans and advances to banks	222.5	210.7	64.0	69.9
Equity securities	0.2	0.2	0.2	0.2
Debt securities	3,867.7	3,960.2	3,799.2	3,651.6
Loans and advances to customers	19,337.1	19,467.2	19,222.6	19,220.7
Other assets	722.8	377.6	408.0	257.3
<b>Total Gross Credit Risk</b>	<b>24,441.2</b>	<b>24,250.9</b>	23,808.3	23,413.6
Non-market related off-balance sheet credit exposures	667.7	653.4	478.3	461.9
Market related off-balance sheet credit exposures	455.8	410.0	455.7	404.5
<b>Total Exposures</b>	<b>25,564.7</b>	<b>25,314.3</b>	24,742.3	24,280.0

**Credit Exposure by Portfolios**

Residential mortgages	19,655.3	19,759.4	19,320.9	19,297.5
Other retail claims	187.7	196.2	211.2	215.9
Bank	1,723.4	1,268.2	1,063.4	788.1
Government	3,767.7	3,853.8	3,908.7	3,735.3
Corporate	228.6	234.8	236.4	241.3
Other assets	2.0	1.9	1.7	1.9
<b>Total Exposures</b>	<b>25,564.7</b>	<b>25,314.3</b>	24,742.3	24,280.0

**Table 4 (B)**

By Portfolios	30 September 2022 <sup>1</sup>		30 June 2022 <sup>1</sup>	
	As At	As At	As At	As At
Amount of Impaired Facilities	\$M		\$M	
Residential Mortgages		66.6		56.2
Corporate/ Specialised Lending		174.6		183.5
<b>Past Due Facilities<sup>2</sup></b>				
Residential Mortgages		60.2		74.3
Corporate/ Specialised Lending		45.3		45.1
<b>Specific Provisions</b>		80.1		80.1
<b>Charges for specific provisions during the period</b>		(8.2)		(9.6)
<b>Write-offs during the period</b>		1.0		0.2

**Table 4 (C)**

<b>General Reserve for Credit Losses</b>	<b>26.4</b>	25.0
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1. The disclosure requirements of APS 330 have been prepared on a Level 2 basis following the grant of non-operating holding company (NOHC) authority to AMP Limited by APRA during the year.
2. With the implementation of the new APS220 (Credit Risk Management) effective 1 January 2022, past due facilities disclosed in March 2022 and thereafter include all facilities that are 90 days or more past due irrespective of whether they are impaired facilities. Previous disclosure of past due facilities excludes those already reported as impaired facilities.

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**Table 5      Securitisation**

	30 September 2022 <sup>1</sup>		30 June 2022 <sup>1</sup>	
	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
<b>Table 5 (A) - Total securitisation activity</b>				
Loans sold into securitisation SPVs	728.0	-	493.3	-
RMBS investments	-	-	-	-
<b>Total securitisation activity for the reporting period</b>	<b>728.0</b>	<b>-</b>	<b>493.3</b>	<b>-</b>
<b>Table 5 (B) - Total securitisation exposures retained or purchased</b>				
<b>Securitisation Facility Type</b>				
<b>On-balance sheet securitisation exposures</b>				
RMBS investments	31.9		35.1	
Other	19.1		58.8	
<b>Total securitisation exposures</b>	<b>51.0</b>		<b>93.9</b>	
<b>Off-balance sheet securitisation exposures</b>				
Funding facilities	20.3		17.9	
Liquidity facilities	-		-	
<b>Total securitisation exposures</b>	<b>20.3</b>		<b>17.9</b>	

1. The disclosure requirements of APS 330 have been prepared on a Level 2 basis following the grant of non-operating holding company (NOHC) authority to AMP Limited by APRA during the year.

## AMP Bank Limited, Basel III Pillar 3 Disclosures, 30 September 2022

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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 140% (30 June 2022: 135%).

Table 20 Liquidity Coverage Ratio		30 September 2022 <sup>1</sup>		30 June 2022 <sup>1</sup>	
		Total unweighted value (average) \$M	Total weighted value (average) \$M	Total unweighted value (average) \$M	Total weighted value (average) \$M
<b>Liquid assets, of which:</b>					
1	High-quality liquid assets (HQLA)		3,647		3,616
2	Alternate liquid assets (ALA)		495		683
3	Reserve Bank of New Zealand (RNBZ) securities		-		-
<b>Cash outflows</b>					
4	Retail deposits and deposits from small business customers, of which;	13,352	2,073	13,450	2,176
5	stable deposits	2,372	119	2,330	117
6	less stable deposits	10,980	1,954	11,120	2,059
7	Unsecured wholesale funding	1,347	682	1,578	762
8	operational deposits (all counterparties) and deposits in networks for cooperative banks	-	-	-	-
9	non-operational deposits (all counterparties)	1,288	623	1,516	700
10	unsecured debt	59	59	62	62
11	Secured wholesale funding		-		-
12	Additional requirements, of which:	3,048	371	2,897	359
13	outflows related to derivatives exposures and other collateral requirements	162	162	144	144
14	outflows related to loss of funding on debt products	43	43	55	55
15	credit and liquidity facilities	2,844	166	2,700	160
16	Other contractual funding obligations	-	-	-	-
17	Other contingent funding obligations	1,127	130	1,108	108
18	<b>Total cash outflows</b>		<b>3,256</b>		<b>3,405</b>
<b>Cash inflows</b>					
19	Secured lending	-	-	-	-
20	Inflows from fully performing exposures	183	97	147	73
21	Other cash inflows	206	206	156	156
22	<b>Total cash inflows</b>	<b>389</b>	<b>303</b>	<b>303</b>	<b>229</b>
			<b>Total Adjusted Value</b>		<b>Total Adjusted Value</b>
			<b>\$M</b>		<b>\$M</b>
23	<b>Total liquid assets</b>		<b>4,142</b>		<b>4,299</b>
24	<b>Total net cash outflows</b>		<b>2,953</b>		<b>3,176</b>
25	<b>Liquidity coverage ratio (%)</b>		<b>140%</b>		<b>135%</b>
	Number of data points used (Business Days)		<b>64</b>		<b>61</b>

1. The disclosure requirements of APS 330 have been prepared on a Level 2 basis following the grant of non-operating holding company (NOHC) authority to AMP Limited by APRA during the year.