

# **BASEL III PILLAR 3**

Capital Adequacy and Risk

Disclosures as at 30 September 2021



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**AMP Bank Limited, Basel III Pillar 3 Disclosures, 30 September 2021**

ABN 15 081 596 009

**Table 3 Capital Adequacy**

	30 September 2021	30 June 2021
	\$M	\$M
<b>Risk Weighted Assets (RWA)</b>		
<b>Subject to Standardised Approach</b>		
Residential Mortgages	6,519.6	6,246.8
Other Retail Loans	189.7	221.2
Bank	185.5	227.4
Corporate	285.7	301.2
Other	2.6	2.2
Securitisation	35.4	39.2
<b>Total Risk Weighted Assets for Credit Risk Exposures</b>	<b>7,218.5</b>	<b>7,038.0</b>
<b>Market Risk RWA</b>	<b>7.5</b>	<b>6.8</b>
<b>Operational Risk RWA</b>	<b>1,273.6</b>	<b>1,273.5</b>
<b>Total Risk Weighted Assets</b>	<b>8,499.6</b>	<b>8,318.3</b>
<b>Capital Ratios (%)</b>	<b>%</b>	<b>%</b>
<b>Common Equity Tier 1 Ratio</b>	<b>11.7%</b>	<b>11.6%</b>
<b>Tier 1 Capital Ratio</b>	<b>14.3%</b>	<b>14.3%</b>
<b>Total Capital Ratio</b>	<b>17.8%</b>	<b>17.9%</b>

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**Table 4 Credit Risk**

Table 4 (A)	30 September 2021		30 June 2021	
	As At \$M	Average \$M	As at \$M	Average \$M
<b>Credit Exposure by Types</b>				
Cash and balances with Central Banks	701.4	694.3	208.7	126.6
Loans and advances to banks	121.0	130.9	200.7	181.3
Equity securities	0.2	0.2	0.2	0.2
Debt securities	2,173.9	2,429.2	2,225.3	2,178.7
Loans and advances to customers	17,272.4	17,020.3	16,594.8	17,015.5
Other assets	210.8	219.0	195.7	200.9
<b>Total Gross Credit Risk</b>	<b>20,479.7</b>	<b>20,493.9</b>	19,425.4	19,703.2
Non-market related off-balance sheet credit exposures	656.5	641.8	537.1	522.0
Market related off-balance sheet credit exposures	46.1	44.5	42.6	37.7
<b>Total Exposures</b>	<b>21,182.3</b>	<b>21,180.2</b>	20,005.1	20,262.9
<b>Credit Exposure by Portfolios</b>				
Residential mortgages	17,561.2	17,275.1	16,719.7	17,130.6
Other retail claims	167.5	184.2	196.8	187.3
Bank	773.4	1,050.2	940.4	1,026.6
Government	2,392.6	2,380.0	1,845.5	1,611.4
Corporate	285.7	288.7	301.2	305.3
Other assets	1.9	2.0	1.5	1.7
<b>Total Exposures</b>	<b>21,182.3</b>	<b>21,180.2</b>	20,005.1	20,262.9
<b>Table 4 (B)</b>				
	30 September 2021		30 June 2021	
	As At		As At	
<b>By Portfolios</b>	\$M		\$M	
<b>Amount of Impaired Facilities</b>				
Residential Mortgages	81.5		96.8	
Corporate/ Specialised Lending	230.0		245.2	
<b>Past Due Facilities</b>				
Residential Mortgages	47.3		68.7	
Corporate/ Specialised Lending	1.8		1.8	
<b>Specific Provisions</b>				
Charges for specific provisions during the period	(3.1)		(2.7)	
Write-offs during the period	8.9		8.7	
<b>Table 4 (C)</b>				
<b>General Reserve for Credit Losses</b>	48.7		48.9	

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**Table 5      Securitisation**

	30 September 2021		30 June 2021	
	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	-	-	983.9	-
RMBS investments	-	-	-	-
<b>Total securitisation activity for the reporting period</b>	-	-	983.9	-
<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	153.1		169.1	
Other	125.0		145.5	
<b>Total securitisation exposures</b>	<b>278.1</b>		<b>314.6</b>	
<b>Off-balance sheet securitisation exposures</b>				
Funding facilities	20.3		22.2	
Liquidity facilities	-		-	
<b>Total securitisation exposures</b>	<b>20.3</b>		<b>22.2</b>	

## AMP Bank Limited, Basel III Pillar 3 Disclosures, 30 September 2021

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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 131% (30 June 2021: 130%).

**Table 20 Liquidity Coverage Ratio**

		30 September 2021		30 June 2021	
		Total unweighted value (average)	Total weighted value (average)	Total unweighted value (average)	Total weighted value (average)
		\$M	\$M	\$M	\$M
<b>Liquid assets, of which:</b>					
1	High-quality liquid assets (HQLA)		2,275		1,533
2	Alternate liquid assets (ALA)		1,190		1,505
3	Reserve Bank of New Zealand (RNBZ) securities		-		-
<b>Cash outflows</b>					
4	Retail deposits and deposits from small business customers, of which;	11,779	1,746	10,630	1,532
5	stable deposits	2,100	105	2,019	101
6	less stable deposits	9,679	1,641	8,611	1,431
7	Unsecured wholesale funding	1,451	810	1,433	776
8	operational deposits (all counterparties) and deposits in networks for cooperative banks	-	-	-	-
9	non-operational deposits (all counterparties)	1,294	653	1,241	584
10	unsecured debt	157	157	192	192
11	Secured wholesale funding		37		-
12	Additional requirements, of which:	2,860	253	2,680	246
13	outflows related to derivatives exposures and other collateral requirements	59	59	57	57
14	outflows related to loss of funding on debt products	39	39	37	37
15	credit and liquidity facilities	2,762	155	2,586	152
16	Other contractual funding obligations	-	-	-	-
17	Other contingent funding obligations	987	87	1,367	86
18	<b>Total cash outflows</b>		<b>2,933</b>		<b>2,640</b>
<b>Cash inflows</b>					
19	Secured lending	-	-	-	-
20	Inflows from fully performing exposures	158	79	158	81
21	Other cash inflows	201	201	215	215
22	<b>Total cash inflows</b>	<b>359</b>	<b>280</b>	<b>373</b>	<b>296</b>
		<b>Total Adjusted Value</b>		<b>Total Adjusted Value</b>	
		<b>\$M</b>		<b>\$M</b>	
23	<b>Total liquid assets</b>	<b>3,465</b>		<b>3,038</b>	
24	<b>Total net cash outflows</b>	<b>2,653</b>		<b>2,344</b>	
25	<b>Liquidity coverage ratio (%)</b>	<b>131 %</b>		<b>130 %</b>	
	Number of data points used (Business Days)	<b>65</b>		<b>62</b>	