

**AMP BANK LIMITED**  
**ABN 15 081 596 009**

**BASEL II Pillar 3 - Capital Adequacy and Risk Disclosures**

**Quarterly Update As At 31 December 2011**

| <b>Capital Structure (Table 15)</b> | <b>31 Dec 2011</b> |
|-------------------------------------|--------------------|
|                                     | <b>\$M</b>         |
| <b>Tier 1 Capital</b>               |                    |
| Paid-up ordinary share capital      | 444.0              |
| Reserves                            | (9.5)              |
| Retained earnings/Reserves          | (25.1)             |
| Deductions                          | (36.7)             |
| <b>Net Tier 1 Capital</b>           | <b>372.7</b>       |
| <b>Net Tier 2 Capital</b>           | <b>114.7</b>       |
| <b>Total Capital Base</b>           | <b>487.4</b>       |

| <b>Capital Adequacy (Table 16)</b>                          | <b>31 Dec 2011</b> |
|---|--------------------|
|   | <b>\$M</b>         |
| <b>Risk Weighted Assets</b>                                 |                    |
| <b>Subject to Standardised approach</b>                     |                    |
| Residential mortgages                                       | 2,910.1            |
| Other retail loans  | 461.3              |
| Bank  | 361.4              |
| Corporate   | 0.7                |
| Other   | 1.5                |
| Securitisation  | 27.0               |
| <b>Total risk weighted assets for credit risk exposures</b> | <b>3,762.0</b>     |
| <b>Operational risk</b>                                     | <b>485.1</b>       |
| <b>Total risk weighted assets</b>                           | <b>4,247.1</b>     |

| <b>Capital Ratio (%)</b>    | <b>31 Dec 2011</b> |
|-----------------------------|--------------------|
| <b>Tier 1 capital ratio</b> | <b>8.78%</b>       |

**Credit Risk (Table 17)**

| <b>Table 17 (a)</b>                                   | <b>31 Dec 2011</b> |                 |
|---|--------------------|-----------------|
|   | <b>As At</b>       | <b>Average</b>  |
| <b>Credit exposures by Types</b>                      | <b>\$M</b>         | <b>\$M</b>      |
| Cash and balances with central banks                  | 82.8               | 69.7            |
| Loans and advances to banks                           | 238.0              | 256.5           |
| Debt Securities                                       | 1,651.1            | 1,548.8         |
| Loans and advances to customers                       | 8,531.8            | 8,134.3         |
| Other Assets  | 292.7              | 323.9           |
| Non Market-related off-balance sheet credit exposures | 27.3               | 19.9            |
| Market-related off-balance sheet credit exposures     | 20.7               | 18.8            |
| <b>Total Exposures</b>                                | <b>10,844.6</b>    | <b>10,372.1</b> |

| <b>Credit exposures by Portfolio</b> | <b>\$M</b>      | <b>\$M</b>      |
|--------------------------------------|-----------------|-----------------|
| Residential Mortgage                 | 8,090.6         | 7,691.2         |
| Other Retail claims                  | 468.5           | 463.0           |
| Bank                                 | 1,580.3         | 1,537.3         |
| Government                           | 471.2           | 485.1           |
| Corporate                            | 0.7             | 1.6             |
| Other Assets                         | 233.3           | 193.9           |
| <b>Total Exposures</b>               | <b>10,844.6</b> | <b>10,372.1</b> |

| <b>Table 17 (b)</b>                                      | <b>31 Dec 2011</b> |
|--|--------------------|
|  | <b>As At</b>       |
| <b>By Portfolios</b>                                     | <b>\$M</b>         |
| <b>Amount of impaired facilities:</b>                    |                    |
| Residential Mortgage                                     | 4.8                |
| Other Retail claims                                      | 0.2                |
| <b>Past due facilities:</b>                              |                    |
| Residential Mortgage                                     | 32.6               |
| Other Retail claims                                      | 0.0                |
| <b>Specific Provisions</b>                               | <b>2.2</b>         |
| <b>Charges for specific provisions during the period</b> | <b>1.6</b>         |
| <b>Write-offs during the period</b>                      | <b>0.9</b>         |

| <b>Table 17 (c)</b>                      | <b>31 Dec 2011</b> |
|--|--------------------|
| <b>General Reserve for Credit Losses</b> | <b>14.7</b>        |