AMP BANK LIMITED
ABN 15 081 596 009

BASEL III Pillar 3 - Capital Adequacy and Risk Disclosures

Quarterly Update As At 31 March 2019

Table 3 : Capital Adequacy	31 Mar 2019 $M	31 Dec 2018 $M
Risk Weighted Assets		
Subject to Standardised approach		
Residential mortgages	6,045.2	5,924.7
Other retail loans	323.5	311.7
Bank	249.2	167.4
Corporate	320.5	334.0
Other	1.5	3.2
Securitisation	41.8	39.7
Total risk weighted assets for credit risk exposures	6,981.7	6,780.7
Market Risk	0.9	1.5
Operational risk	1,020.3	1,020.3
Total risk weighted assets	8,002.9	7,802.5

Capital Ratio (%)	31 Mar 2019	31 Dec 2018
Common Equity Tier 1 ratio	10.2%	10.9%
Tier 1 Capital ratio	11.9%	12.7%
Total Capital ratio	15.4%	16.3%

Table 4 : Credit Risk

Table 4 (a)	31 Mar 2019		31 Dec 2018	
	As At	Average	As At	Average
Credit exposures by Types	$M	$M	$M	$M
Cash and balances with central banks	22.6	36.6	23.6	21.6
Loans and advances to banks	94.5	154.2	275.3	209.6
Equity Securities	0.2	0.2	0.2	0.2
Debt Securities	2,141.0	2,087.5	2,176.9	2,335.5
Loans and advances to customers	16,298.6	16,169.5	15,975.4	15,904.9
Other Assets	90.8	73.7	55.1	46.1
Total gross credit risk	18,647.7	18,521.7	18,506.5	18,517.9
Non Market-related off-balance sheet credit exposures	330.8	284.7	306.8	275.3
Market-related off-balance sheet credit exposures	51.2	46.6	41.8	42.6
Total Exposures	19,029.7	18,853.0	18,855.1	18,835.8
Credit exposures by Portfolio	$M	$M	$M	$M
Residential Mortgage	15,972.5	15,797.9	15,624.5	15,519.6
Other Retail claims	340.4	326.3	327.7	318.0
Bank	1,020.5	987.2	806.7	868.5
Government	1,373.4	1,405.4	1,759.5	1,780.9
Corporate	320.5	334.0	334.0	346.7
Other Assets	2.4	2.2	2.7	2.1
Total Exposures	19,029.7	18,853.0	18,855.1	18,835.8

Table 4 (b)	31 Mar 2019	31 Dec 2018
	As At	As At
By Portfolios	$M	$M
Amount of impaired facilities:		
Residential Mortgage	123.8	108.1
Corporate/specialised lending	13.6	17.1
Past due facilities:		
Residential mortgages	37.7	24.3
Corporate/specialised lending	19.2	17.2
Specific provisions	18.8	16.8
Charges for specific provisions during the period	2.0	3.0
Write-offs during the period	0.3	2.6

Table 4 (c)		
General Reserve for Credit Losses	31.3	30.9

Table 5 : Securitisation exposures

	31 Mar 2019 $M	31 Dec 2018 $M
Table 5 (a) - Total securitisation activity for the reporting period		
Underlying asset type		
• RMBS Investments	-	5.6
Total securitisation activity for the reporting period	-	5.6
Table 5 (b) - Summary of total securitisation exposures retained or purchased		
Securitisation facility type		
On-balance sheet securitisation exposures		
• RMBS Investments	177.3	183.2
• Other	101.9	79.2
Total securitisation exposures	279.2	262.4
Off-balance sheet securitisation exposures		
• Funding facilities	19.3	20.3
• Liquidity facilities	-	-
Total securitisation exposures	19.3	20.3

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For the quarter ending 31 March 2019

Table 20: 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 139% (31 December 2018: 136%).

		31 March 2019		31 December 2018	
		Total unweighted value (average) (A$m)	Total weighted value (average) (A$m)	Total unweighted value (average) (A$m)	Total weighted value (average) (A$m)
Liquid assets, of which:					
1	High-quality liquid assets (HQLA)		1,447		1,761
2	Alternative liquid assets (ALA)		1,650		1,200
3	Reserve Bank of New Zealand (RBNZ) securities		-		-
Cash outflows					
4	Retail deposits and deposits from small business customers, of which:	7,917	994	7,755	970
5	stable deposits	1,598	80	1,533	77
6	less stable deposits	6,319	914	6,222	893
7	Unsecured wholesale funding, of which:	1,506	931	1,557	992
8	operational deposits (all counterparties) and deposits in networks for cooperative banks	-	-	-	-
9	non-operational deposits (all counterparties)	1,349	774	1,331	766
10	unsecured debt	157	157	226	226
11	Secured wholesale funding		20		-
12	Additional requirements, of which:	2,693	343	2,769	424
13	outflows related to derivatives exposures and other collateral requirements	186	186	271	271
14	outflows related to loss of funding on debt products	-	-	-	-
15	credit and liquidity facilities	2,507	157	2,498	153
16	Other contractual funding obligations	-	-	-	-
17	Other contingent funding obligations	3,382	264	3,408	242
18	**Total cash outflows**		2,552		2,628
Cash inflows					
19	Secured lending (e.g. reverse repos)	-	-	-	-
20	Inflows from fully performing exposures	240	178	233	170
21	Other cash inflows	144	144	276	276
22	**Total cash inflows**	384	322	509	446
			Total adjusted value		**Total adjusted value**
23	Total liquid assets		3,097		2,961
24	Total net cash outflows		2,230		2,182
25	Liquidity Coverage ratio (%)		139		136
	Number of data points used (Business Days)		63		63