

BASEL III PILLAR 3

Capital Adequacy and Risk

Disclosures as at 30 June 2021



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Table 3 Capital Adequacy	30 June 2021	31 March 2021
	\$M	\$M
Risk Weighted Assets (RWA)		
Subject to Standardised Approach		
Residential Mortgages	6,246.8	6,379.7
Other Retail Loans	221.2	214.5
Bank	227.4	266.6
Corporate	301.2	312.5
Other	2.2	2.6
Securitisation	39.2	41.7
Total Risk Weighted Assets for Credit Risk Exposures	7,038.0	7,217.6
Market Risk RWA	6.8	0.5
Operational Risk RWA	1,273.5	1,215.0
Total Risk Weighted Assets	8,318.3	8,433.1
Capital Ratios (%)	%	%
Common Equity Tier 1 Ratio	11.6%	10.9%
Tier 1 Capital Ratio	14.3%	13.6%
Total Capital Ratio	17.9%	17.2%

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Table 4 Credit Risk

Table 4 (A)	30 June 2021		31 March 2021	
	As At	Average	As at	Average
	\$M	\$M	\$M	\$M
Credit Exposure by Types				
Cash and balances with Central Banks	208.7	126.6	14.2	84.8
Loans and advances to banks	200.7	181.3	59.4	61.6
Equity securities	0.2	0.2	0.2	0.2
Debt securities	2,225.3	2,178.7	2,209.4	2,372.3
Loans and advances to customers	16,594.8	17,015.5	17,025.6	16,874.0
Other assets	195.7	200.9	205.7	210.9
Total Gross Credit Risk	19,425.4	19,703.2	19,514.5	19,603.8
Non-market related off-balance sheet credit exposures	537.1	522.0	438.8	404.4
Market related off-balance sheet credit exposures	42.6	37.7	32.7	33.3
Total Exposures	20,005.1	20,262.9	19,986.0	20,041.5
Credit Exposure by Portfolios				
Residential mortgages	16,719.7	17,130.6	17,057.0	16,864.4
Other retail claims	196.8	187.3	183.3	184.0
Bank	940.4	1,026.6	1,110.4	1,224.4
Government	1,845.5	1,611.4	1,321.0	1,449.4
Corporate	301.2	305.3	312.5	317.0
Other assets	1.5	1.7	1.8	2.3
Total Exposures	20,005.1	20,262.9	19,986.0	20,041.5
Table 4 (B)				
		30 June 2021		31 March 2021
		As At		As At
By Portfolios		\$M		\$M
Amount of Impaired Facilities				
Residential Mortgages		96.8		111.5
Corporate/ Specialised Lending		245.2		257.1
Past Due Facilities				
Residential Mortgages		68.7		63.9
Corporate/ Specialised Lending		1.8		3.8
Specific Provisions				
Charges for specific provisions during the period		(2.7)		(0.6)
Write-offs during the period		8.7		4.8
Table 4 (C)				
General Reserve for Credit Losses		48.9		61.5

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Table 5 Securitisation

	30 June 2021		31 March 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
Table 5 (A) - Total securitisation activity				
Loans sold into securitisation SPVs	983.9	-	-	-
RMBS investments	-	-	-	-
Total securitisation activity for the reporting period	983.9	-	-	-
Table 5 (B) - Total securitisation exposures retained or purchased				
Securitisation Facility Type				
On-balance sheet securitisation exposures				
RMBS investments	169.1		185.6	
Other	145.5		142.8	
Total securitisation exposures	314.6		328.4	
Off-balance sheet securitisation exposures				
Funding facilities	22.2		18.9	
Liquidity facilities	-		-	
Total securitisation exposures	22.2		18.9	

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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 130% (31 March 2021: 141%).

Table 20 Liquidity Coverage Ratio		30 June 2021		31 March 2021	
		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)		1,533		1,483
2	Alternate liquid assets (ALA)		1,505		1,814
3	Reserve Bank of New Zealand (RNBZ) securities		-		-
Cash outflows					
4	Retail deposits and deposits from small business customers, of which:	10,630	1,532	10,721	1,536
5	stable deposits	2,019	101	1,994	100
6	less stable deposits	8,611	1,431	8,727	1,436
7	Unsecured wholesale funding	1,433	776	1,272	612
8	operational deposits (all counterparties) and deposits in networks for cooperative banks	-	-	-	-
9	non-operational deposits (all counterparties)	1,241	584	1,246	586
10	unsecured debt	192	192	26	26
11	Secured wholesale funding		-		-
12	Additional requirements, of which:	2,680	246	2,658	246
13	outflows related to derivatives exposures and other collateral requirements	57	57	58	58
14	outflows related to loss of funding on debt products	37	37	38	38
15	credit and liquidity facilities	2,586	152	2,562	150
16	Other contractual funding obligations	-	-	-	-
17	Other contingent funding obligations	1,367	86	1,708	125
18	Total cash outflows		2,640		2,519
Cash inflows					
19	Secured lending	-	-	-	-
20	Inflows from fully performing exposures	158	81	153	76
21	Other cash inflows	215	215	108	108
22	Total cash inflows	373	296	261	184
			Total Adjusted Value		Total Adjusted Value
			\$M		\$M
23	Total liquid assets		3,038		3,297
24	Total net cash outflows		2,344		2,335
25	Liquidity coverage ratio (%)		130 %		141 %
	Number of data points used (Business Days)		62		62