BASEL III
PILLAR 3

Capital Adequacy and Risk

Disclosures as at 30 September 2020

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Table 3 Capital Adequacy

	30 September 2020 $M	30 June 2020 $M
Risk Weighted Assets (RWA)		
Subject to Standardised Approach		
Residential Mortgages	**6,077.5**	6,412.6
Other Retail Loans	**237.9**	240.9
Bank	**464.0**	400.5
Corporate	**344.3**	359.1
Other	**4.0**	4.1
Securitisation	**47.1**	44.6
Total Risk Weighted Assets for Credit Risk Exposures	**7,174.8**	7,461.8
Market Risk RWA	**2.9**	0.8
Operational Risk RWA	**1,141.9**	1,141.9
Total Risk Weighted Assets	**8,319.6**	8,604.5

Capital Ratios (%)	**%**	**%**
Common Equity Tier 1 Ratio	**11.4%**	10.5%
Tier 1 Capital Ratio	**13.1%**	12.1%
Total Capital Ratio	**16.8%**	15.7%

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Table 4 Credit Risk

Table 4 (A)	**30 September 2020**		**30 June 2020**	
	As At	**Average**	**As at**	**Average**
Credit Exposure by Types	**$M**	**$M**	**$M**	**$M**
Cash and balances with Central Banks	**515.5**	**518.5**	428.9	407.4
Loans and advances to banks	**404.2**	**343.2**	235.2	288.5
Equity securities	**0.2**	**0.2**	0.2	0.2
Debt securities	**3,375.0**	**3,345.1**	2,679.8	2,513.6
Loans and advances to customers	**16,326.3**	**16,977.5**	17,309.3	17,250.6
Other assets	**244.1**	**246.7**	246.6	241.2
Total Gross Credit Risk	**20,865.3**	**21,431.2**	20,900.0	20,701.5
Non-market related off-balance sheet credit exposures	**302.8**	**286.3**	278.7	348.3
Market related off-balance sheet credit exposures	**22.7**	**22.6**	19.5	19.6
Total Exposures	**21,190.8**	**21,740.1**	21,198.2	21,069.4
Credit Exposure by Portfolios				
Residential mortgages	**16,158.0**	**16,783.8**	17,103.4	17,112.4
Other retail claims	**220.1**	**228.0**	218.1	216.5
Bank	**1,925.8**	**1,861.7**	1,527.8	1,446.1
Government	**2,540.7**	**2,519.1**	1,987.6	1,930.7
Corporate	**344.2**	**345.2**	359.1	361.4
Other assets	**2.0**	**2.3**	2.2	2.3
Total Exposures	**21,190.8**	**21,740.1**	21,198.2	21,069.4

Table 4 (B)	**30 September 2020**	**30 June 2020**
	As At	**As At**
By Portfolios	**$M**	**$M**
Amount of Impaired Facilities		
Residential Mortgages	**146.3**	214.2
Corporate/ Specialised Lending	**299.6**	317
Past Due Facilities		
Residential Mortgages	**52.0**	45.3
Corporate/ Specialised Lending	**2.4**	4.5
Specific Provisions	**114.8**	114.6
Charges for specific provisions during the period	**5.7** *	5.0 *
Write-offs during the period	**2.4**	1.7
Table 4 (C)		
General Reserve for Credit Losses	**60.2**	61.5

** Charges for specific provisions during the period have been revised to align to ARS 220.5*

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Table 5 Securitisation

Table 5 (A) - Total securitisation activity	30 September 20		30 June 20	
	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
Loans sold into securitisation SPVs	**980.7**	**-**	-	-
RMBS investments	**25.0**	**-**	-	-
Total securitisation activity for the reporting period	**1,005.7**	**-**	-	-

Table 5 (B) - Total securitisation exposures retained or purchased		
Securitisation Facility Type		
On-balance sheet securitisation exposures		
RMBS investments	**211.6**	201.7
Other	**164.1**	142.1
Total securitisation exposures	**375.7**	343.8
Off-balance sheet securitisation exposures		
Funding facilities	**21.6**	18.1
Liquidity facilities	**-**	-
Total securitisation exposures	**21.6**	18.1

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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 157% (30 June 2020: 147%).

Table 20 Liquidity Coverage Ratio

		30 September 2020		30 June 2020	
		Total unweighted value (average)	Total weighted value (average)	Total unweighted value (average)	Total weighted value (average)
	Liquid assets, of which:	$M	$M	$M	$M
1	High-quality liquid assets (HQLA)		**2,279**		1,940
2	Alternate liquid assets (ALA)		**1,908**		2,018
3	Reserve Bank of New Zealand (RNBZ) securities		**-**		-
	Cash outflows				
4	Retail deposits and deposits from small business customers, of which;	**11,790**	**1,787**	10,627	1,554
5	stable deposits	**1,854**	**93**	1,757	88
6	less stable deposits	**9,936**	**1,694**	8,870	1,466
7	Unsecured wholesale funding	**1,532**	**879**	1,550	862
8	operational deposits (all counterparties) and deposits in networks for cooperative banks	**-**	**-**	-	-
9	non-operational deposits (all counterparties)	**1,359**	**706**	1,449	761
10	unsecured debt	**173**	**173**	101	101
11	Secured wholesale funding		**32**		115
12	Additional requirements, of which:	**2,516**	**216**	2,637	221
13	outflows related to derivatives exposures and other collateral requirements	**58**	**58**	55	55
14	outflows related to loss of funding on debt products	**1**	**1**	1	1
15	credit and liquidity facilities	**2,457**	**157**	2,581	165
16	Other contractual funding obligations	**-**	**-**	-	-
17	Other contingent funding obligations	**1,839**	**136**	2,066	171
18	**Total cash outflows**		**3,050**		2,923
	Cash inflows				
19	Secured lending	**-**	**-**	-	-
20	Inflows from fully performing exposures	**152**	**89**	142	82
21	Other cash inflows	**300**	**300**	156	156
22	**Total cash inflows**	**452**	**389**	298	238

		Total Adjusted Value	Total Adjusted Value
		$M	$M
23	**Total liquid assets**	**4,187**	3,958
24	**Total net cash outflows**	**2,661**	2,685
25	**Liquidity coverage ratio**	**157**	147
	Number of data points used (Business Days)	**65**	62