

BASEL III PILLAR 3

Capital Adequacy and Risk

Disclosures as at 30 June 2020



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Table 3 Capital Adequacy

	30 June 2020	31 March 2020
	\$M	\$M
Risk Weighted Assets (RWA)		
Subject to Standardised Approach		
Residential Mortgages	6,412.6	6,380.2
Other Retail Loans	240.9	289.5
Bank	400.5	272.6
Corporate	359.1	358.8
Other	4.1	3.5
Securitisation	44.6	47.7
Total Risk Weighted Assets for Credit Risk Exposures	7,461.8	7,352.3
Market Risk RWA	0.8	4.0
Operational Risk RWA	1,141.9	1,100.3
Total Risk Weighted Assets	8,604.5	8,456.6
Capital Ratios (%)	%	%
Common Equity Tier 1 Ratio	10.5%	10.5%
Tier 1 Capital Ratio	12.1%	12.2%
Total Capital Ratio	15.7%	15.5%

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Table 4 Credit Risk

Table 4 (A)	30 June 2020		31 March 2020	
	As At	Average	As at	Average
	\$M	\$M	\$M	\$M
Credit Exposure by Types				
Cash and balances with Central Banks	428.9	407.4	362.8	156.0
Loans and advances to banks	235.2	288.5	258.5	339.5
Equity securities	0.2	0.2	0.2	0.2
Debt securities	2,679.8	2,513.6	2,073.8	1,909.0
Loans and advances to customers	17,309.3	17,250.6	17,027.1	16,911.4
Other assets	246.6	241.2	225.8	225.7
Total Gross Credit Risk	20,900.0	20,701.5	19,948.2	19,541.8
Non-market related off-balance sheet credit exposures	278.7	348.3	455.2	423.2
Market related off-balance sheet credit exposures	19.5	19.6	19.4	20.2
Total Exposures	21,198.2	21,069.4	20,422.8	19,985.2
Credit Exposure by Portfolios				
Residential mortgages	17,103.4	17,112.4	16,995.8	16,850.1
Other retail claims	218.1	216.5	217.9	175.0
Bank	1,527.8	1,446.1	1,030.5	956.8
Government	1,987.6	1,930.7	1,817.7	1,601.9
Corporate	359.1	361.4	358.8	399.7
Other assets	2.2	2.3	2.1	1.7
Total Exposures	21,198.2	21,069.4	20,422.8	19,985.2
Table 4 (B)				
	30 June 2020		31 March 2020	
	As At		As At	
By Portfolios	\$M		\$M	
Amount of Impaired Facilities				
Residential Mortgages	214.2		170.8	
Corporate/ Specialised Lending	317.0		371.2	
Past Due Facilities				
Residential Mortgages	45.3		41.4	
Corporate/ Specialised Lending	4.5		3.9	
Specific Provisions	114.6		111.1	
Charges for specific provisions during the period	13.0		1.3	
Write-offs during the period	1.7		0.6	
Table 4 (C)				
General Reserve for Credit Losses	61.5		33	

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Table 5 Securitisation

	30 June 20		31 March 2020	
	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	-	-	-	-
RMBS investments	-	-	-	-
Total securitisation activity for the reporting period	-	-	-	-

Table 5 (B) - Total securitisation exposures retained or purchased
Securitisation Facility Type
On-balance sheet securitisation exposures

RMBS investments	201.7	215.9
Other	142.1	147.3
Total securitisation exposures	343.8	363.2

Off-balance sheet securitisation exposures

Funding facilities	18.1	19.2
Liquidity facilities	-	-
Total securitisation exposures	18.1	19.2

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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 147% (31 March 2020: 133%).

Table 20 Liquidity Coverage Ratio

	30 June 2020		31 March 2020	
	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)		1,940		1,497
2 Alternate liquid assets (ALA)		2,018		1,414
3 Reserve Bank of New Zealand (RNBZ) securities		-		-
Cash outflows				
4 Retail deposits and deposits from small business customers, of which;	10,627	1,554	8,911	1,226
5 stable deposits	1,757	88	1,680	84
6 less stable deposits	8,870	1,466	7,231	1,142
7 Unsecured wholesale funding	1,550	862	1,404	795
8 operational deposits (all counterparties) and deposits in networks for cooperative banks	-	-	-	-
9 non-operational deposits (all counterparties)	1,449	761	1,258	649
10 unsecured debt	101	101	146	146
11 Secured wholesale funding		115		64
12 Additional requirements, of which:	2,637	221	2,648	226
13 outflows related to derivatives exposures and other collateral requirements	55	55	59	59
14 outflows related to loss of funding on debt products	1	1	1	1
15 credit and liquidity facilities	2,581	165	2,588	166
16 Other contractual funding obligations	-	-	-	-
17 Other contingent funding obligations	2,066	171	2,399	213
18 Total cash outflows		2,923		2,524
Cash inflows				
19 Secured lending	-	-	-	-
20 Inflows from fully performing exposures	142	82	223	165
21 Other cash inflows	156	156	176	176
22 Total cash inflows	298	238	399	341
		Total Adjusted Value		Total Adjusted Value
		\$M		\$M
23 Total liquid assets		3,958		2,911
24 Total net cash outflows		2,685		2,183
25 Liquidity coverage ratio		147		133
Number of data points used (Business Days)		62		64