

BASEL III PILLAR 3

Capital Adequacy and Risk

Disclosures as at 30 September 2019



Table of Contents

Capital Adequacy	3
Credit Risk	4
Securitisation Exposures	5
Liquidity Coverage Ratio	6

AMP Bank Limited, Basel III Pillar 3 Disclosures, 30 September 2019

ABN 15 081 596 009

Table 3 Capital Adequacy	30 September 2019	30 June 2019
	\$M	\$M
Risk Weighted Assets (RWA)		
Subject to Standardised Approach		
Residential Mortgages	6,015.5	5,796.4
Other Retail Loans	362.6	323.1
Bank	222.6	210.3
Corporate	377.3	309.5
Other	2.8	0.8
Securitisation	46.2	44.7
Total Risk Weighted Assets for Credit Risk Exposures	7,027.0	6,684.8
Market Risk RWA	4.6	1.1
Operational Risk RWA	1,071.6	1,071.6
Total Risk Weighted Assets	8,103.2	7,757.5
Capital Ratios (%)	%	%
Common Equity Tier 1 Ratio	10.8%	11.1%
Tier 1 Capital Ratio	12.5%	12.9%
Total Capital Ratio	16.0%	16.5%

AMP Bank Limited, Basel III Pillar 3 Disclosures, 30 September 2019

ABN 15 081 596 009

Table 4 Credit Risk

Table 4 (A)	30 September 2019		30 June 2019	
	As At	Average	As at	Average
Credit Exposure by Types	\$M	\$M	\$M	\$M
Cash and balances with Central Banks	25.9	24.1	20.0	34.7
Loans and advances to banks	84.0	85.6	76.9	89.0
Equity securities	0.2	0.2	0.2	0.2
Debt securities	1,856.5	1,840.7	1,821.8	1,975.6
Loans and advances to customers	16,014.4	15,799.9	15,604.2	16,180.2
Other assets	285.0	284.5	222.9	142.4
Total Gross Credit Risk	18,266.0	18,035.0	17,746.0	18,422.1
Non-market related off-balance sheet credit exposures	464.2	417.2	324.8	322.9
Market related off-balance sheet credit exposures	21.2	55.6	68.1	60.7
Total Exposures	18,751.4	18,507.8	18,138.9	18,805.7

Credit Exposure by Portfolios

Residential mortgages	15,912.0	15,653.5	15,286.9	15,853.9
Other retail claims	267.3	243.9	336.7	327.4
Bank	862.0	880.3	863.3	945.8
Government	1,331.1	1,329.9	1,340.5	1,350.9
Corporate	377.3	398.0	309.5	325.9
Other assets	1.7	2.2	2.0	1.8
Total Exposures	18,751.4	18,507.8	18,138.9	18,805.7

Table 4 (B)

By Portfolios	30 September 2019		30 June 2019	
	As At		As At	
	\$M		\$M	
Amount of Impaired Facilities				
Residential Mortgages		139.2		118.8
Corporate/ Specialised Lending		380.7		12.7
Past Due Facilities				
Residential Mortgages		34.7		33.8
Corporate/ Specialised Lending		22.1		21.7
Specific Provisions		99.2		20.2
Charges for specific provisions during the period		78.3		3.4
Write-offs during the period		0.3		0.4

Table 4 (C)

General Reserve for Credit Losses		31.2		30.7
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AMP Bank Limited, Basel III Pillar 3 Disclosures, 30 September 2019

ABN 15 081 596 009

Table 5	Securitisation	30 September 2019	30 June 2019
Table 5 (A) - Total securitisation activity		\$M	\$M
Loans sold into securitisation SPVs		-	981.9
RMBS investments		36.0	43.3
Total securitisation activity for the reporting period		36.0	1,025.2
Table 5 (B) - Total securitisation exposures retained or purchased			
Securitisation Facility Type			
On-balance sheet securitisation exposures			
RMBS investments		207.4	184.5
Other		132.9	161.5
Total securitisation exposures		340.3	346.0
Off-balance sheet securitisation exposures			
Funding facilities		21.4	23.2
Liquidity facilities		-	-
Total securitisation exposures		21.4	23.2

AMP Bank Limited, Basel III Pillar 3 Disclosures, 30 September 2019

ABN 15 081 596 009

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 146% (30 June 2019: 138%).

Table 20 Liquidity Coverage Ratio

	30 September 2019		30 June 2019	
	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)		1,283		1,152
2 Alternate liquid assets (ALA)		1,650		1,650
3 Reserve Bank of New Zealand (RNBZ) securities		-		-
Cash outflows				
4 Retail deposits and deposits from small business customers, of which;	8,309	1,079	7,879	997
5 stable deposits	1,675	84	1,662	83
6 less stable deposits	6,634	995	6,217	914
7 Unsecured wholesale funding	1,368	755	1,427	871
8 operational deposits (all counterparties) and deposits in networks for cooperative banks	-	-	-	-
9 non-operational deposits (all counterparties)	1,269	656	1,191	635
10 unsecured debt	99	99	236	236
11 Secured wholesale funding		-		34
12 Additional requirements, of which:	2,574	244	2,604	226
13 outflows related to derivatives exposures and other collateral requirements	64	64	67	67
14 outflows related to loss of funding on debt products	34	34	-	-
15 credit and liquidity facilities	2,476	146	2,536	159
16 Other contractual funding obligations	-	-	-	-
17 Other contingent funding obligations	2,490	180	2,919	236
18 Total cash outflows		2,258		2,364
Cash inflows				
19 Secured lending	-	-	-	-
20 Inflows from fully performing exposures	180	119	224	162
21 Other cash inflows	126	126	175	175
22 Total cash inflows	306	245	399	337
		Total Adjusted Value		Total Adjusted Value
		\$M		\$M
23 Total liquid assets		2,933		2,802
24 Total net cash outflows		2,013		2,027
25 Liquidity coverage ratio		146		138
Number of data points used (Business Days)		65		61