

# **BASEL III PILLAR 3**

Capital Adequacy and Risk  
Disclosures as at 30 June 2019



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**AMP Bank Limited, Basel III Pillar 3 Disclosures, 30 June 2019**

ABN 15 081 596 009

Table 3 Capital Adequacy	30 June 2019	31 March 2019
	\$M	\$M
<b>Risk Weighted Assets (RWA)</b>		
<b>Subject to Standardised Approach</b>		
Residential Mortgages	5,796.4	6,045.2
Other Retail Loans	323.1	323.5
Bank	210.3	249.2
Corporate	309.5	320.5
Other	0.8	1.5
Securitisation	44.7	41.8
<b>Total Risk Weighted Assets for Credit Risk Exposures</b>	<b>6,684.8</b>	<b>6,981.7</b>
<b>Market Risk RWA</b>	<b>1.1</b>	<b>0.9</b>
<b>Operational Risk RWA</b>	<b>1,071.6</b>	<b>1,020.3</b>
<b>Total Risk Weighted Assets</b>	<b>7,757.5</b>	<b>8,002.9</b>
<b>Capital Ratios (%)</b>	<b>%</b>	<b>%</b>
<b>Common Equity Tier 1 Ratio</b>	<b>11.1%</b>	<b>10.2</b>
<b>Tier 1 Capital Ratio</b>	<b>12.9%</b>	<b>11.9</b>
<b>Total Capital Ratio</b>	<b>16.5%</b>	<b>15.4</b>

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<b>Table 4 Credit Risk</b>				
<b>Table 4 (A)</b>	<b>30 June 2019</b>		<b>31 March 2019</b>	
	<b>As At</b>	<b>Average</b>	<b>As at</b>	<b>Average</b>
	<b>\$M</b>	<b>\$M</b>	<b>\$M</b>	<b>\$M</b>
<b>Credit Exposure by Types</b>				
Cash and balances with Central Banks	20.0	34.7	22.6	36.6
Loans and advances to banks	76.9	89.0	94.5	154.2
Equity Securities	0.2	0.2	0.2	0.2
Debt Securities	1,821.8	1,975.6	2,141.0	2,087.5
Loans and advances to customers	15,604.2	16,180.2	16,298.6	16,169.5
Other Assets	222.9	142.4	90.8	73.7
<b>Total Gross Credit Risk</b>	<b>17,746.0</b>	<b>18,422.1</b>	18,647.7	18,521.7
Non-market related off-balance sheet credit exposures	324.8	322.9	330.8	284.7
Market related off-balance sheet credit exposures	68.1	60.7	51.2	46.6
<b>Total Exposures</b>	<b>18,138.9</b>	<b>18,805.7</b>	19,029.7	18,853.0
<b>Credit Exposure by Portfolios</b>				
Residential mortgages	15,286.9	15,853.9	15,972.5	15,797.9
Other retail claims	336.7	327.4	340.4	326.3
Bank	863.3	945.8	1,020.5	987.2
Government	1,340.5	1,350.9	1,373.4	1,405.4
Corporate	309.5	325.9	320.5	334.0
Other assets	2.0	1.8	2.4	2.2
<b>Total Exposures</b>	<b>18,138.9</b>	<b>18,805.7</b>	19,029.7	18,853.0
<b>Table 4 (B)</b>				
		<b>30 June 2019</b>		<b>31 March 2019</b>
		<b>As At</b>		<b>As At</b>
<b>By Portfolios</b>		<b>\$M</b>		<b>\$M</b>
<b>Amount of Impaired Facilities</b>				
Residential Mortgages		118.8		123.8
Corporate/ Specialised Lending		12.7		13.6
<b>Past Due Facilities</b>				
Residential Mortgages		33.8		37.7
Corporate/ Specialised Lending		21.7		19.2
<b>Specific Provisions</b>		20.2		18.8
<b>Charges for specific provisions during the period</b>		3.4		2.0
<b>Write-offs during the period</b>		0.4		0.3
<b>Table 4 (C)</b>				
<b>General Reserve for Credit Losses</b>		30.7		31.3

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Table 5      Securitisation	30 June 2019	31 March 2019
<b>Table 5 (A) - Total securitisation activity</b>	<b>\$M</b>	<b>\$M</b>
Loans sold into securitisation SPVs	981.9	
RMBS investments	43.3	-
<b>Total securitisation activity for the reporting period</b>	<b>1,025.2</b>	<b>-</b>
<b>Table 5 (B) - Total securitisation exposures retained or purchased</b>		
<b>Securitisation Facility Type</b>		
<b>On-balance sheet securitisation exposures</b>		
RMBS investments	184.5	177.3
Other	161.5	101.9
<b>Total securitisation exposures</b>	<b>346.0</b>	<b>279.2</b>
<b>Off-balance sheet securitisation exposures</b>		
Funding facilities	23.2	19.3
Liquidity facilities	-	-
<b>Total securitisation exposures</b>	<b>23.2</b>	<b>19.3</b>

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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 138% (31 March 2019: 139%).

**Table 20 Liquidity Coverage Ratio**

	30 June 2019		31 March 2019	
	Total unweighted value (average)	Total weighted value (average)	Total unweighted value (average)	Total weighted value (average)
	\$M	\$M	\$M	\$M
<b>Liquid assets, of which:</b>				
1 High-quality liquid assets (HQLA)		1,152		1,447
2 Alternate liquid assets (ALA)		1,650		1,650
3 Reserve Bank of New Zealand (RNBZ) securities		-		-
<b>Cash outflows</b>				
4 Retail deposits and deposits from small business customers, of which;	7,879	997	7,917	994
5 stable deposits	1,662	83	1,598	80
6 less stable deposits	6,217	914	6,319	914
7 Unsecured wholesale funding	1,427	871	1,506	931
8 operational deposits (all counterparties) and deposits in networks for cooperative banks	-	-	-	-
9 non-operational deposits (all counterparties)	1,191	635	1,349	774
10 unsecured debt	236	236	157	157
11 Secured wholesale funding		34		20
12 Additional requirements, of which:	2,604	226	2,693	343
13 outflows related to derivatives exposures and other collateral requirements	67	67	186	186
14 outflows related to loss of funding on debt products	-	-	-	-
15 credit and liquidity facilities	2,536	159	2,507	157
16 Other contractual funding obligations	-	-	-	-
17 Other contingent funding obligations	2,919	236	3,382	264
<b>18 Total cash outflows</b>		<b>2,364</b>		<b>2,552</b>
<b>Cash inflows</b>				
19 Secured lending	-	-	-	-
20 Inflows from fully performing exposures	224	162	240	178
21 Other cash inflows	175	175	144	144
<b>22 Total cash inflows</b>	<b>399</b>	<b>337</b>	<b>384</b>	<b>322</b>
		<b>Total Adjusted Value</b>		<b>Total Adjusted Value</b>
		<b>\$M</b>		<b>\$M</b>
23 <b>Total liquid assets</b>		<b>2,802</b>		<b>3,097</b>
24 <b>Total net cash outflows</b>		<b>2,027</b>		<b>2,230</b>
25 <b>Liquidity coverage ratio</b>		<b>138</b>		<b>139</b>
Number of data points used (Business Days)		<b>61</b>		<b>63</b>