

BASEL III PILLAR 3

Capital Adequacy and
Risk Disclosures
as at 31 December 2023



Table of Contents

	Page
Table 1: Capital disclosure template (APS 330: Attachment A)	3
Countercyclical Capital Buffer (CCyB) (APS 330: Attachment A)	5
Regulatory Balance Sheet	6
Entities excluded from Level 2 Regulatory Consolidation Group	7
Table 3 : Capital Adequacy (APS 330: Attachment C)	8
Table 4 : Credit Risk (APS 330: Attachment C)	9
Table 5 : Securitisation exposures (APS 330: Attachment C)	10
Table 20 : Liquidity Coverage Ratio (LCR) disclosure (APS 330: Attachment F)	11
Table 21 : Net Stable Funding Ratio (NSFR) disclosure (APS 330: Attachment F)	12

AMP Bank Limited, Basel III Pillar 3 Disclosures, 31 December 2023

ABN 15 081 596 009

Table 1: Capital Disclosure Template (APS 330: Attachment A)

This table provides the Basel III capital disclosure requirements for APS 330 (Attachment A). The information contained within the table below should be read in conjunction with the Regulatory Balance Sheet.

	As at 31 December 2023	Regulatory Balance Sheet Reference
	\$m	
Common Equity Tier 1 capital: instruments and reserves		
1	394	(a)
2	796	(b)
3	46	(c)
4	-	
5	-	
6	1,236	
Common Equity Tier 1 capital : regulatory adjustments		
7	-	
8	-	
9	16	(d)
10	-	
11	31	(e)
12	-	
13	-	
14	-	
15	-	
16	-	
17	-	
18	-	
19	-	
20	-	
21	-	
22	-	
23	-	
24	-	
25	-	
26	165	
26a	-	
26b	-	
26c	-	
26d	-	
26e	8	(f)
26f	144	(g)
26g	-	
26h	-	
26i	-	
26j	13	(h)
27	-	
28	212	
29	1,024	

AMP Bank Limited, Basel III Pillar 3 Disclosures, 31 December 2023

ABN 15 081 596 009

Table 1: Capital Disclosure Template (APS 330: Attachment A) (continued)

	As at 31 December 2023	Regulatory Balance Sheet Reference
	\$m	
Additional Tier 1 Capital: instruments		
30	225	(i)
31	225	
32	-	
33	-	
34	-	
35	-	
36	225	
Additional Tier 1 Capital: regulatory adjustments		
37	-	
38	-	
39	-	
40	-	
41	-	
41a	-	
41b	-	
41c	-	
42	-	
43	-	
44	225	
45	1,249	
Tier 2 Capital: instruments and provisions		
46	400	(j)
47	-	
48	-	
49	-	
50	32	(k)
51	432	
Tier 2 Capital: regulatory adjustments		
52	-	
53	-	
54	-	
55	-	
56	-	
56a	-	
56b	-	
56c	-	
57	-	
58	432	
59	1,681	
60	9,538	

AMP Bank Limited, Basel III Pillar 3 Disclosures, 31 December 2023

ABN 15 081 596 009

Table 1: Capital Disclosure Template (APS 330: Attachment A) (continued)

		As at 31 December 2023	Regulatory Balance Sheet Reference
		\$m	
Capital ratios and buffers			
61	Common Equity Tier 1 (as a percentage of risk-weighted assets)	10.7%	
62	Tier 1 (as a percentage of risk-weighted assets)	13.1%	
63	Total capital (as a percentage of risk-weighted assets)	17.6%	
64	Buffer requirement (minimum CET1 requirement of 4.5% plus capital conservation buffer of 2.5% plus any countercyclical buffer requirements expressed as a percentage of risk-weighted assets)	8.0%	
65	of which: capital conservation buffer requirement	2.5%	
66	of which: ADI-specific countercyclical buffer requirements	1.0%	
67	of which: G-SIB buffer requirement (not applicable)	-	
68	Common Equity Tier 1 available to meet buffers (as a percentage of risk-weighted assets)	6.2%	
National minima (if different from Basel III)			
69	National Common Equity Tier 1 minimum ratio (if different from Basel III minimum)	n/a	
70	National Tier 1 minimum ratio (if different from Basel III minimum)	n/a	
71	National total capital minimum ratio (if different from Basel III minimum)	n/a	
Amount below thresholds for deductions (not risk-weighted)			
72	Non-significant investments in the capital of other financial entities	-	
73	Significant investments in the ordinary shares of financial entities	-	
74	Mortgage servicing rights (net of related tax liability)	-	
75	Deferred tax assets arising from temporary differences (net of related tax liability)	-	
Applicable caps on the inclusion of provisions in Tier 2			
76	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to standardised approach (prior to application of cap)	32	(k)
77	Cap on inclusion of provisions in Tier 2 under standardised approach	112	
78	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to internal ratings-based approach (prior to application of cap)	-	
79	Cap for inclusion of provisions in Tier 2 under internal ratings-based approach	-	
Capital instruments subject to phase-out arrangements (only applicable between 1 Jan 2018 and 1 Jan 2022)			
80	Current cap on CET1 instruments subject to phase out arrangements	-	
81	Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)	-	
82	Current cap on AT1 instruments subject to phase out arrangements	-	
83	Amount excluded from AT1 instruments due to cap (excess over cap after redemptions and maturities)	-	
84	Current cap on T2 instruments subject to phase out arrangements	-	
85	Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)	-	

Countercyclical Capital Buffer (CCyB) (APS 330: Attachment A)

Country ¹	As at 31 December 2023		
	RWA ² \$m	Jurisdictional Buffer ³ %	ADI specific buffer %
Australia	8,667	1.00%	1.00%
France	1	0.50%	0.00%
Germany	1	0.75%	0.00%
Hong Kong	2	1.00%	0.00%
United Kingdom	4	2.00%	0.00%
Other	11	-	-
Total	8,686		1.00%

¹ Represents country of ultimate risk as at 31 December 2023.

² Represents total private sector (excludes sovereign and bank) credit and specific market risk RWA.

³ Calculated as each country's share of total private sector credit and specific market risk RWA multiplied by the jurisdictional CCyB of each country

AMP Bank Limited, Basel III Pillar 3 Disclosures, 31 December 2023

ABN 15 081 596 009

Regulatory Balance Sheet

AMP Financial Investment Group Holdings Limited is the head of the Level 2 group, as defined in Prudential Standard APS 001: Definitions. The transfer of funds or Regulatory Capital within the Level 2 group requires approvals from Management and /or the Board and has been disclosed in accordance with Prudential Standard APS 330: Public Disclosure Paragraph 15. The following table discloses AMP Bank Limited's Balance Sheet on a consolidated basis as published in its audited financial statements and the Regulatory Balance Sheet on a level 2 basis as at 31 December 2023. The components of capital reported in *Table 1: Capital disclosure template* can be reconciled to the balance sheet below using the reference letters included.

	Consolidated Balance Sheet Dec-23 \$m	Adjustments Dec-23 \$m	Level 2 Regulatory Balance Sheet Dec-23 \$m	Reference
Assets				
Cash and cash equivalents	284	-	284	
Due from banks	571	(176)	395	
Derivative financial assets	185	50	235	
Debt securities	3,819	-	3,819	
Loans and advances	24,530	(3,793)	20,737	
<i>of which: provisions eligible for inclusion in Tier 2 capital in respect of exposures subject to standardised approach (prior to application of cap)</i>			32	(k)
Deferred tax assets	8	-	8	(f)
Intangibles	16	-	16	(d)
Other assets	64	157	221	
<i>of which: capitalised expenses</i>			144	(g)
<i>of which: other national specific regulatory adjustments related to securitisation excluding start up costs</i>			13	(h)
Total assets	29,477	(3,762)	25,715	
Liabilities				
Due to banks	634	-	634	
Derivative financial liabilities	34	27	61	
Deposits and other borrowings	21,557	26	21,583	
Intercompany tax payable to head entity	37	-	37	
Employee provisions	16	-	16	
Debt securities on issue	5,240	(3,937)	1,303	
Other liabilities	44	126	170	
Subordinated debt	453	(3)	450	
<i>of which: directly issued qualifying Tier 2 instruments⁴</i>			400	(j)
Total liabilities	28,015	(3,761)	24,254	
Net assets	1,462	(1)	1,461	
Equity				
Contributed equity	619	-	619	
<i>of which: directly issued qualifying ordinary shares (and equivalent for mutually-owned entities) capital</i>	394	-	394	(a)
<i>of which: directly issued qualifying Additional Tier 1 instruments</i>	225	-	225	(i)
Reserves	46	-	46	(c)
<i>of which: cashflow hedge reserve regulatory adjustment to CET1 capital</i>			31	(e)
Retained earnings	797	(1)	796	(b)
Total equity	1,462	(1)	1,461	

⁴ The subordinated debt reported as part of Tier 2 capital represents liability at the reporting end date adjusted for any amortisation required under APS 111.

AMP Bank Limited, Basel III Pillar 3 Disclosures, 31 December 2023

ABN 15 081 596 009

Entities excluded from Level 2 Regulatory Consolidation Group

The following table provides details of entities included within the accounting scope of consolidation but excluded from regulatory consolidation.

Entity	Total Assets \$m	Total Liabilities \$m	Principal Activity
Progress 2014-2 Trust	102	101	Securitisation
Progress 2016-1 Trust	111	111	Securitisation
Progress 2017-1 Trust	244	244	Securitisation
Progress 2017-2 Trust	210	210	Securitisation
Progress 2018-1 Trust	212	212	Securitisation
Progress 2019-1 Trust	282	282	Securitisation
Progress 2020-1 Trust	308	308	Securitisation
Progress 2021-1 Trust	421	421	Securitisation
Progress 2022-1 Trust	297	297	Securitisation
Progress 2022-2 Trust	490	490	Securitisation
Progress 2023-1 Trust	593	593	Securitisation
Progress 2023-2 Trust	697	697	Securitisation

AMP Bank Limited, Basel III Pillar 3 Disclosures, 31 December 2023

ABN 15 081 596 009

Table 3 : Capital Adequacy (APS 330: Attachment C)

	31 December 2023	30 September 2023 ⁵
	\$m	\$m
Risk Weighted Assets (RWA)		
Subject to Standardised Approach		
Residential Mortgages	8,440	8,589
Bank	283	264
Corporate	244	248
Other	4	4
Securitisation	4	5
Total Risk Weighted Assets for Credit Risk Exposures	8,975	9,110
Market Risk RWA	7	9
Operational Risk RWA	556	556
Total Risk Weighted Assets	9,538	9,675
Capital Ratios (%)	%	%
Common Equity Tier 1 Ratio	10.7%	10.4%
Tier 1 Capital Ratio	13.1%	12.7%
Total Capital Ratio	17.6%	17.7%

⁵ Comparative information has been restated to conform to presentation in the current period.

AMP Bank Limited, Basel III Pillar 3 Disclosures, 31 December 2023

ABN 15 081 596 009

Table 4 : Credit Risk (APS 330: Attachment C)

Table 4 (A)	31 December 2023		30 September 2023	
	As At \$m	Average \$m	As at \$m	Average \$m
Credit Exposure by Types				
Cash and balances with central bank	284	233	341	434
Loans and advances to banks	646	700	617	1,124
Debt securities	3,568	3,493	3,504	3,536
Loans and advances to customers	20,769	20,874	20,942	21,213
Other assets	58	69	61	56
Total Gross Credit Risk	25,325	25,369	25,465	26,363
Non-market related off-balance sheet credit exposures	1,429	1,493	1,640	1,770
Market related off-balance sheet credit exposures	230	309	340	340
Total Exposures	26,984	27,171	27,445	28,473

Credit Exposure by Portfolios

Residential Mortgages	21,999	22,173	22,403	22,793
Sovereign	3,785	3,662	3,792	3,912
Bank	886	1,035	964	1,473
Corporate	312	299	284	293
Other	2	2	2	2
Total Exposures	26,984	27,171	27,445	28,473

Table 4 (B)	31 December 2023		30 September 2023	
		As At \$m		As At \$m
By Portfolios				
Non-performing		360		356
Residential Mortgages		259		215
Corporate/ Specialised Lending		101		141
>=90 days past-due		163		146
Residential Mortgages		130		116
Corporate/ Specialised Lending		33		30
Specific Provisions		66		66
Residential Mortgages		11		10
Corporate/ Specialised Lending		55		56
Charges for specific provisions during the period		(3)		(4)
Residential Mortgages		5		4
Corporate/ Specialised Lending		(8)		(8)
Write-offs during the period		1		-
Residential Mortgages		-		-
Corporate/ Specialised Lending		1		-

Table 4 (C)

Provisions held against performing exposures that represent a purely forward looking amount for future losses that are presently unidentified

	32	31
--	----	----

AMP Bank Limited, Basel III Pillar 3 Disclosures, 31 December 2023

ABN 15 081 596 009

Table 5 : Securitisation exposures (APS 330: Attachment C)

	31 December 2023		30 September 2023	
	Total amount of exposure securitised \$m	Recognised gain or loss on sale \$m	Total amount of exposure securitised \$m	Recognised gain or loss on sale \$m
Table 5 (A) - Total securitisation activity				
Residential Mortgages	-	-	724	-
Total securitisation activity for the reporting period	-	-	724	-
Table 5 (B) - Total securitisation exposures retained or purchased				
Securitisation Facility Type				
On-balance sheet securitisation exposures				
Other	22		21	
Total securitisation exposures	22		21	
Off-balance sheet securitisation exposures				
Funding facilities	20		21	
Liquidity facilities	-		-	
Total securitisation exposures	20		21	

AMP Bank Limited, Basel III Pillar 3 Disclosures, 31 December 2023

ABN 15 081 596 009

Table 20 : Liquidity Coverage Ratio disclosure (APS 330: Attachment F)

AMP Bank is 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 net cash outflows under an APRA-prescribed 30 calendar day stress scenario. AMP Bank manages its LCR on a daily basis with a buffer above the regulatory minimum in line with the AMP Bank prescribed risk appetite and management ranges.

AMP Bank maintains a diversified portfolio of liquid assets consisting of HQLA, cash and other repo-eligible securities (eligible for repo with the Reserve Bank of Australia (RBA)). HQLA includes Commonwealth Government Securities, Australian Semi-Government Securities, and ESA Balances held with the RBA.

AMP Bank has access to a suite of stable, diversified and resilient funding sources that aim to reduce the likelihood of liquidity stress arising across a variety of funding market conditions. AMP Bank utilises a number of funding sources including customer deposits, deposits sourced from AMP's North Platform and Superannuation business, short and long term wholesale debt instruments, and securitisation (via the issuance of Residential Mortgage Backed Securities).

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.

The average Level 2 LCR over the December 2023 quarter was 128%, which is 6% lower than the September 2023 quarter. This has been driven by lower HQLA, partially offset by lower Net Cash Outflows. The average HQLA balance was higher during the September 2023 quarter due to amounts held to fund repayments of Term Funding Facility borrowings. Average Cash Outflows decreased following the maturity of Term Funding Facility Borrowings in the prior quarter. Average Cash Inflows decreased following asset maturities in the prior quarter.

The lowest LCR during the period was 121% which is 7% lower than the average for the period and the highest LCR during the period was 137% which is 9% higher than the average for the period. The main drivers of variations relative to the average LCR during the quarter arose primarily from the funding and settlement of wholesale funding transactions.

	31 December 2023		30 September 2023	
	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)		3,575		3,840
2 Alternate liquid assets (ALA)		-		-
3 Reserve Bank of New Zealand (RNBZ) securities		-		-
Cash outflows				
4 Retail deposits and deposits from small business customers, of which:	13,331	1,964	13,282	1,975
5 stable deposits	2,802	140	2,728	136
6 less stable deposits	10,529	1,824	10,554	1,839
7 Unsecured wholesale funding, of which;	1,261	682	1,198	669
8 operational deposits (all counterparties) and deposits in networks for cooperative banks	-	-	-	-
9 non-operational deposits (all counterparties)	1,178	599	1,072	543
10 unsecured debt	83	83	126	126
11 Secured wholesale funding		-		187
12 Additional requirements, of which:	3,354	523	3,620	530
13 outflows related to derivatives exposures and other collateral requirements	206	206	205	205
14 outflows related to loss of funding on debt products	113	113	104	104
15 credit and liquidity facilities	3,035	204	3,312	221
16 Other contractual funding obligations	-	-	-	-
17 Other contingent funding obligations	1,295	96	1,591	151
18 Total cash outflows		3,265		3,512
Cash inflows				
19 Secured lending	-	-	-	-
20 Inflows from fully performing exposures	252	127	243	123
21 Other cash inflows	346	346	510	519
22 Total cash inflows	598	473	753	642
		Total Adjusted Value		Total Adjusted Value
		\$m		\$m
23 Total liquid assets		3,575		3,840
24 Total net cash outflows		2,792		2,870
25 Liquidity coverage ratio (%)		128%		134%
Number of data points used (Business Days)		60		65

AMP Bank Limited, Basel III Pillar 3 Disclosures, 31 December 2023

ABN 15 081 596 009

Table 21 : NSFR disclosure (APS 330: Attachment F)

The Net Stable Funding Ratio (NSFR) promotes balance sheet resilience by requiring ADIs to fund their activities with more stable funding sources on an ongoing basis.

Available and required stable funding is calculated in accordance with APS 210. APRA-prescribed weighting factors are applied to AMP Bank's assets and liabilities based on the nature and maturity profile of each item. The NSFR changes on a daily basis in the ordinary course of business due to changes in the Bank's balance sheet composition.

AMP Bank manages its daily NSFR requirement to board and management level buffers over the regulatory minimum of 100% in accordance with the Bank's risk appetite.

AMP Bank maintains a diversified balance sheet without undue concentration. AMP Bank's funding and lending strategies remains unchanged between quarters, driving stability in the Available Stable Funding and Required Stable Funding balances.

AMP Bank's NSFR as at 31 December 2023 was 135% which is approximately 1% lower than the previous quarter end, driven by lower levels of Available Stable Funding, which is linked to the term to maturity on Term Funding Facility Borrowings and reductions in deposits sourced from AMP's North Platform.

AMP Bank Limited, Basel III Pillar 3 Disclosures, 31 December 2023

ABN 15 081 596 009

Table 21 : NSFR disclosure (APS 330: Attachment F) (continued)

		31 December 2023				
		Unweighted value by residual maturity				Weighted Value
Available Stable Funding (ASF) Item	No Maturity	< 6 months	6 months to < 1 year	>= 1 year	Weighted Value	
	\$m	\$m	\$m	\$m	\$m	
1	Capital	1,190	-	-	498	1,688
2	Regulatory capital	1,190	-	-	298	1,488
3	Other capital instruments	-	-	-	200	200
4	Retail deposits and deposits from small business customers	-	18,101	-	-	16,474
5	Stable deposits	-	3,671	-	-	3,487
6	Less stable deposits	-	14,430	-	-	12,987
7	Wholesale funding	-	4,171	227	1,075	2,547
8	Operational deposits	-	-	-	-	-
9	Other wholesale funding	-	4,171	227	1,075	2,547
10	Liabilities with matching interdependent assets					
11	Other liabilities	-	152	-	-	-
12	NSFR derivative liabilities	-	-	-	-	-
13	All other liabilities and equity not included in the above categories	-	152	-	-	-
14	Total ASF	1,190	22,424	227	1,573	20,709
Required Stable Funding (RSF) Item						
15 (a)	Total NSFR (HQLA)	-	351	114	3,293	174
15 (b)	ALA	-	-	-	416	42
15 (c)	RBNZ securities	-	-	-	-	-
16	Deposits held at other financial institutions for operational purposes	-	-	-	-	-
17	Performing loans and securities	-	941	723	18,666	14,080
18	Performing loans to financial institutions secured by Level 1 HQLA	-	-	-	-	-
19	Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions	-	-	-	-	-
20	Performing loans to non-financial corporate clients, loans to retail and small business customers, and loans to sovereigns, central banks and public sector entities (PSEs), of which:	-	165	145	3,880	3,460
21	With a risk weight of less than or equal to 35% under APS 112	-	-	-	-	-
22	Performing residential mortgages, of which:	-	538	552	14,731	10,441
23	With a risk weight equal to 35% under APS 112	-	538	552	14,731	10,441
24	Securities that are not in default and do not qualify as HQLA, including exchange-traded equities	-	238	26	55	179
25	Assets with matching interdependent liabilities	-	-	-	-	-
26	Other assets:	-	140	12	958	889
27	Physical traded commodities, including gold	-	-	-	-	-
28	Assets posted as initial margin for derivative contracts and contributions to default funds of central counterparties (CCPs)	-	-	-	-	-
29	NSFR derivative assets	-	-	-	133	133
30	NSFR derivative liabilities before deduction of variation margin posted	-	-	-	239	18
31	All other assets not included in the above categories	-	140	12	586	738
32	Off-balance sheet items	-	-	-	-	146
33	Total RSF	-	1,432	848	23,333	15,331
34	Net Stable Funding Ratio (%)					135%

AMP Bank Limited, Basel III Pillar 3 Disclosures, 31 December 2023

ABN 15 081 596 009

Table 21 : NSFR disclosure (APS 330: Attachment F) (continued)

		30 September 2023				Weighted Value \$m
		Unweighted value by residual maturity				
Available Stable Funding (ASF) Item	No Maturity \$m	< 6 months \$m	6 months to < 1 year \$m	>= 1 year \$m		
1	Capital	1,166	-	-	507	1,673
2	Regulatory capital	1,166	-	-	307	1,473
3	Other capital instruments	-	-	-	200	200
4	Retail deposits and deposits from small business customers	-	18,468	-	-	16,800
5	Stable deposits	-	3,565	-	-	3,387
6	Less stable deposits	-	14,903	-	-	13,413
7	Wholesale funding	-	4,105	443	809	2,543
8	Operational deposits	-	-	-	-	-
9	Other wholesale funding	-	4,105	443	809	2,543
10	Liabilities with matching interdependent assets	-	-	-	-	-
11	Other liabilities	-	86	-	-	-
12	NSFR derivative liabilities	-	-	-	-	-
13	All other liabilities and equity not included in the above categories	-	86	-	-	-
14	Total ASF	1,166	22,659	443	1,316	21,016
Required Stable Funding (RSF) Item						
15 (a)	Total NSFR (HQLA)	-	408	113	3,247	171
15 (b)	ALA	-	-	-	534	53
15 (c)	RBNZ securities	-	-	-	-	-
16	Deposits held at other financial institutions for operational purposes	-	-	-	-	-
17	Performing loans and securities	-	880	738	18,818	14,068
18	Performing loans to financial institutions secured by Level 1 HQLA	-	-	-	-	-
19	Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions	-	-	-	-	-
20	Performing loans to non-financial corporate clients, loans to retail and small business customers, and loans to sovereigns, central banks and public sector entities (PSEs), of which:	-	159	154	4,232	3,760
21	With a risk weight of less than or equal to 35% under APS 112	-	-	-	-	-
22	Performing residential mortgages, of which:	-	527	524	14,539	10,142
23	With a risk weight equal to 35% under APS 112	-	527	524	14,539	10,142
24	Securities that are not in default and do not qualify as HQLA, including exchange-traded equities	-	194	60	47	167
25	Assets with matching interdependent liabilities	-	-	-	-	-
26	Other assets:	-	183	16	1,111	992
27	Physical traded commodities, including gold	-	-	-	-	-
28	Assets posted as initial margin for derivative contracts and contributions to default funds of central counterparties (CCPs)	-	-	-	-	-
29	NSFR derivative assets	-	-	-	226	226
30	NSFR derivative liabilities before deduction of variation margin poste	-	-	-	336	18
31	All other assets not included in the above categories	-	183	16	549	748
32	Off-balance sheet items	-	-	-	-	155
33	Total RSF	-	1,471	867	23,710	15,439
34	Net Stable Funding Ratio (%)					136%