

BASEL III Pillar 3 - Capital Adequacy and Risk Disclosures

Quarterly Update As At 30 September 2018

Table 3 : Capital Adequacy

	30 Sep 2018 \$M	30 Jun 2018 \$M
<b>Risk Weighted Assets</b>		
<b>Subject to Standardised approach</b>		
Residential mortgages *	5,828.9	5,786.8
Other retail loans *	329.0	326.5
Bank	211.2	135.2
Corporate	340.6	349.6
Other	3.6	2.6
Securitisation	42.3	42.9
<b>Total risk weighted assets for credit risk exposures *</b>	<b>6,755.6</b>	<b>6,643.6</b>
<b>Market Risk</b>	<b>5.0</b>	<b>35.8</b>
<b>Operational risk</b>	<b>980.7</b>	<b>980.7</b>
<b>Total risk weighted assets *</b>	<b>7,741.3</b>	<b>7,660.1</b>
<b>Capital Ratio (%)</b>	<b>30 Sep 2018</b>	<b>30 Jun 2018</b>
<b>Common Equity Tier 1 ratio *</b>	10.4%	10.3%
<b>Tier 1 Capital ratio *</b>	12.2%	12.1%
<b>Total Capital ratio *</b>	15.8%	15.8%

Table 4 : Credit Risk

Table 4 (a)

	30 Sep 2018		30 Jun 2018	
	As At	Average	As At	Average
	\$M	\$M	\$M	\$M
<b>Credit exposures by Types</b>				
Cash and balances with central banks	44.8	28.6	8.3	42.9
Loans and advances to banks	259.8	314.6	170.2	257.9
Equity Securities	0.2	0.2	0.2	0.2
Debt Securities	2,493.2	2,430.7	2,111.3	2,428.1
Loans and advances to customers	15,802.0	15,749.6	15,596.3	16,015.0
Other Assets	34.3	38.6	42.3	38.9
<b>Total gross credit risk</b>	<b>18,634.3</b>	<b>18,562.3</b>	<b>17,928.6</b>	<b>18,783.0</b>
Non Market-related off-balance sheet credit exposures	255.5	285.2	326.5	423.6
Market-related off-balance sheet credit exposures	45.0	43.6	48.6	48.4
<b>Total Exposures</b>	<b>18,934.8</b>	<b>18,891.1</b>	<b>18,303.7</b>	<b>19,255.0</b>
<b>Credit exposures by Portfolio</b>				
	\$M	\$M	\$M	\$M
Residential Mortgage *	15,379.3	15,351.3	15,233.9	15,761.0
Other Retail claims *	341.5	338.6	340.2	328.6
Bank	992.6	943.4	634.9	893.5
Government	1,878.7	1,907.8	1,742.8	1,920.1
Corporate	340.6	348.0	349.9	350.1
Other Assets	2.1	2.0	2.0	1.6
<b>Total Exposures</b>	<b>18,934.8</b>	<b>18,891.1</b>	<b>18,303.7</b>	<b>19,255.0</b>

Table 4 (b)

	30 Sep 2018 \$M	30 Jun 2018 \$M
<b>By Portfolios</b>		
<b>Amount of impaired facilities:</b>		
Residential Mortgage *	71.4	85.2
Corporate/specialised lending *	20.9	17.6
<b>Past due facilities:</b>		
Residential mortgages *	59.2	31.4
Corporate/specialised lending *	10.0	6.5
<b>Specific provisions</b>	16.6	13.3
<b>Charges for specific provisions during the period</b>	2.8	(0.5)
<b>Write-offs during the period</b>	1.8	2.2

Table 4 (c)

<b>General Reserve for Credit Losses</b>	29.8	29.5
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Table 5 : Securitisation exposures

	30 Sep 2018 \$M	30 Jun 2018 \$M
<b>Table 5 (a) - Total securitisation activity for the reporting period</b>		
<b>Underlying asset type</b>		
• Loans sold into securitisation SPVs	-	971.9
• RMBS Investments	7.9	6.3
<b>Total securitisation activity for the reporting period</b>	<b>7.9</b>	<b>978.2</b>

Table 5 (b) - Summary of total securitisation exposures retained or purchased

<b>Securitisation facility type</b>		
<b>On-balance sheet securitisation exposures</b>		
• RMBS Investments	194.6	194.9
• Other	92.3	88.9
<b>Total securitisation exposures</b>	<b>286.9</b>	<b>283.8</b>
<b>Off-balance sheet securitisation exposures</b>		
• Funding facilities	21.8	23.4
• Liquidity facilities	-	1.2
<b>Total securitisation exposures</b>	<b>21.8</b>	<b>24.6</b>

\* Disclosures have been revised to align with APS220 criteria

# APS 330

For the quarter ending 30 September 2018

**Table 20: 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 139% (31 December 2017: 133%).

		30 September 2018		31 December 2017	
		Total unweighted value (average) (A\$m)	Total weighted value (average) (A\$m)	Total unweighted value (average) (A\$m)	Total weighted value (average) (A\$m)
<b>Liquid assets, of which:</b>					
1	High-quality liquid assets (HQLA)		1,881		1,570
2	Alternative liquid assets (ALA)		1,200		1,000
3	Reserve Bank of New Zealand (RBNZ) securities		0		0
<b>Cash outflows</b>					
Total risk weighted assets for credit risk exposures *	Retail deposits and deposits from small business customers, of which:	7,658	941	5,590	677
5	stable deposits	1,460	73	1,210	60
6	less stable deposits	6,198	868	4,380	617
Total risk weighted assets *	Unsecured wholesale funding, of which:	1,632	1,029	1,592	971
8	operational deposits (all counterparties) and deposits in networks for cooperative banks	0	0	0	0
9	non-operational deposits (all counterparties)	1,316	713	1,302	681
Common Equity Tier 1 ratio *	unsecured debt	316	316	290	290
Tier 1 Capital ratio *	Secured wholesale funding	0	0	0	0
Total Capital ratio *	Additional requirements, of which:	2,939	526	3,100	459
13	outflows related to derivatives exposures and other collateral requirements	364	364	294	295
14	outflows related to loss of funding on debt products	5	5	0	0
15	credit and liquidity facilities	2,569	157	2,806	164
16	Other contractual funding obligations	0	0	0	0
17	Other contingent funding obligations	3,534	281	3,831	291
18	<b>Total cash outflows</b>		2,777		2,398
<b>Cash inflows</b>					
19	Secured lending (e.g. reverse repos)				
20	Inflows from fully performing exposures	260	198	306	259
21	Other cash inflows	359	359	203	203
22	<b>Total cash inflows</b>	619	557	509	462
			<b>Total adjusted value</b>		<b>Total adjusted value</b>
23	Total liquid assets		3,081		2,570
24	Total net cash outflows		2,219		1,936
25	Liquidity Coverage ratio (%)		139		133
	Number of data points used (Business Days)		64		62