

BASEL III PILLAR 3

Capital Adequacy and Risk

Disclosures as at 31 March 2020



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Table 3 Capital Adequacy

	31 March 2020	31 December 2019
	\$M	\$M
Risk Weighted Assets (RWA)		
Subject to Standardised Approach		
Residential Mortgages	6,380.2	6,267.7
Other Retail Loans	289.5	331.9
Bank	272.6	214.4
Corporate	358.8	372.9
Other	3.5	3.3
Securitisation	47.7	51.1
Total Risk Weighted Assets for Credit Risk Exposures	7,352.3	7,241.3
Market Risk RWA	4.0	1.8
Operational Risk RWA	1,100.3	1,100.3
Total Risk Weighted Assets	8,456.6	8,343.4
Capital Ratios (%)	%	%
Common Equity Tier 1 Ratio	10.5%	10.7%
Tier 1 Capital Ratio	12.2%	13.6%
Total Capital Ratio	15.5%	17.0%

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Table 4 Credit Risk				
Table 4 (A)	31 March 2020		31 December 2019	
	As At	Average	As at	Average
Credit Exposure by Types	\$M	\$M	\$M	\$M
Cash and balances with Central Banks	362.8	156.0	58.0	41.2
Loans and advances to banks	258.5	339.5	185.2	120.9
Equity securities	0.2	0.2	0.2	0.2
Debt securities	2,073.8	1,909.0	1,731.0	1,766.0
Loans and advances to customers	17,027.1	16,911.4	16,657.3	16,452.6
Other assets	225.8	225.7	396.4	306.1
Total Gross Credit Risk	19,948.2	19,541.8	19,028.1	18,687.0
Non-market related off-balance sheet credit exposures	455.2	423.2	502.9	512.1
Market related off-balance sheet credit exposures	19.4	20.2	20.7	31.8
Total Exposures	20,422.8	19,985.2	19,551.7	19,230.9
Credit Exposure by Portfolios				
Residential mortgages	16,995.8	16,850.1	16,624.6	16,412.4
Other retail claims	217.9	175.0	252.3	237.8
Bank	1,030.5	956.8	839.3	840.7
Government	1,817.7	1,601.9	1,460.9	1,341.8
Corporate	358.8	399.7	372.9	396.7
Other assets	2.1	1.7	1.7	1.5
Total Exposures	20,422.8	19,985.2	19,551.7	19,230.9
Table 4 (B)				
	31 March 2020		31 December 2019	
	As At		As At	
By Portfolios	\$M		\$M	
Amount of Impaired Facilities				
Residential Mortgages	170.8		149	
Corporate/ Specialised Lending	371.2		388.3	
Past Due Facilities				
Residential Mortgages	41.4		35.2	
Corporate/ Specialised Lending	3.9		3.7	
Specific Provisions	111.1		110.8	
Charges for specific provisions during the period	1.3		90.9	
Write-offs during the period	0.6		1.8	
Table 4 (C)				
General Reserve for Credit Losses	33		32	

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Table 5 Securitisation

	31 March 2020		31 December 2019	
	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				
Loans sold into securitisation SPVs	-	-	-	-
RMBS investments	-	-	40.0	-
Total securitisation activity for the reporting period	-	-	40.0	-
Table 5 (B) - Total securitisation exposures retained or purchased				
Securitisation Facility Type				
On-balance sheet securitisation exposures				
RMBS investments	215.9		233.3	
Other	147.3		130.4	
Total securitisation exposures	363.2		363.7	
Off-balance sheet securitisation exposures				
Funding facilities	19.2		20.3	
Liquidity facilities	-		-	
Total securitisation exposures	19.2		20.3	

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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 133% (31 December 2019: 131%).

Table 20 Liquidity Coverage Ratio

	31 March 2020		31 December 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)		1,497		1,291
2 Alternate liquid assets (ALA)		1,414		1,650
3 Reserve Bank of New Zealand (RNBZ) securities		-		-
Cash outflows				
4 Retail deposits and deposits from small business customers, of which:	8,911	1,226	8,914	1,229
5 stable deposits	1,680	84	1,699	85
6 less stable deposits	7,231	1,142	7,215	1,144
7 Unsecured wholesale funding	1,404	795	1,389	756
8 operational deposits (all counterparties) and deposits in networks for cooperative banks	-	-	-	-
9 non-operational deposits (all counterparties)	1,258	649	1,354	721
10 unsecured debt	146	146	35	35
11 Secured wholesale funding		64		66
12 Additional requirements, of which:	2,648	226	2,733	220
13 outflows related to derivatives exposures and other collateral requirements	59	59	59	59
14 outflows related to loss of funding on debt products	1	1	-	-
15 credit and liquidity facilities	2,588	166	2,674	161
16 Other contractual funding obligations	-	-	-	-
17 Other contingent funding obligations	2,399	213	2,518	205
18 Total cash outflows		2,524		2,476
Cash inflows				
19 Secured lending	-	-	-	-
20 Inflows from fully performing exposures	223	165	178	119
21 Other cash inflows	176	176	100	100
22 Total cash inflows	399	341	278	219
		Total Adjusted Value		Total Adjusted Value
		\$M		\$M
23 Total liquid assets		2,911		2,941
24 Total net cash outflows		2,183		2,257
25 Liquidity coverage ratio		133		131
Number of data points used (Business Days)		64		63