

BASEL III PILLAR 3

Capital Adequacy and Risk

Disclosures as at 30 June 2023



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ABN 15 081 596 009

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

	30 June 2023	31 March 2023 ¹
	\$m	\$m
Risk Weighted Assets (RWA)		
Subject to Standardised Approach		
Residential mortgages	8,577	8,349
Bank	393	181
Corporate	256	246
Other	3	-
Securitisation	7	13
Total Risk Weighted Assets for Credit Risk Exposures	9,236	8,789
Market Risk RWA	8	8
Operational Risk RWA	556	556
Total Risk Weighted Assets	9,800	9,353
Capital Ratios (%)	%	%
Common Equity Tier 1 Ratio	10.6%	11.0%
Tier 1 Capital Ratio	12.9%	13.4%
Total Capital Ratio	17.9%	18.5%

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

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

Table 4 (A)	30 June 2023		31 March 2023 ¹	
	As At \$m	Average \$m	As at \$m	Average \$m
Credit Exposure by Types				
Cash and balances with central bank	498	316	355	186
Loans and advances to banks	920	1,000	466	516
Debt securities	3,412	3,442	3,554	3,952
Loans and advances to customers	20,878	20,595	20,197	20,414
Other assets	50	51	56	111
Total Gross Credit Risk	25,758	25,404	24,628	25,179
Non-market related off-balance sheet credit exposures	1,744	1,712	1,688	1,561
Market related off-balance sheet credit exposures	358	330	312	361
Total Exposures	27,860	27,446	26,628	27,101
Credit Exposure by Portfolios				
Residential mortgages	22,424	22,110	21,691	21,778
Sovereign	3,845	3,689	3,839	3,748
Bank	1,286	1,338	787	1,225
Corporate	302	307	311	348
Other	3	2	-	2
Total Exposures	27,860	27,446	26,628	27,101
Table 4 (B)				
		30 June 2023	31 March 2023 ¹	
		As At	As At	
By Portfolios		\$m	\$m	
Amount of non-performing facilities				
		316	320	
Residential mortgages		179	169	
Corporate/ specialised lending		137	151	
Past due facilities >=90 days				
		136	121	
Residential mortgages		108	95	
Corporate/ specialised lending		28	26	
Specific provisions				
		64	72	
Residential mortgages		8	7	
Corporate/ specialised lending		56	65	
Charges for specific provisions during the period				
		(6)	2	
Residential mortgages		3	2	
Corporate/ specialised lending		(9)	-	
Write-offs during the period				
		-	-	
Residential mortgages		-	-	
Corporate/ specialised lending		-	-	
Table 4 (C)				
Provisions held against performing exposures that represent a purely forward looking amount for future losses that are presently unidentified		32	31	

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

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

	30 June 2023		31 March 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	-	-	717	-
Total securitisation activity for the reporting period	-	-	717	-
Table 5 (B) - Total securitisation exposures retained or purchased				
Securitisation Facility Type				
On-balance sheet securitisation exposures				
RMBS investments	-		27	
Other	21		20	
Total securitisation exposures	21		47	
Off-balance sheet securitisation exposures				
Funding facilities	19		21	
Liquidity facilities	-		-	
Total securitisation exposures	19		21	

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

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's average Level 2 LCR over the June 2023 quarter was 133% which is 3% lower than the March 2023 quarter. The Bank's average HQLA balance reduced slightly to fund the purchase of ADI NCDs. Average cash outflows increased due to retail deposit growth and loan commitments. Average cash inflows increased related to warehouse drawdowns offset by the redemption of term securitisation funding.

	30 June 2023		31 March 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)		3,594		3,663
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:	12,992	1,918	12,762	1,894
5 stable deposits	2,701	135	2,574	129
6 less stable deposits	10,291	1,783	10,188	1,765
7 Unsecured wholesale funding, of which;	1,176	679	1,191	678
8 operational deposits (all counterparties) and deposits in networks for cooperative banks	-	-	-	-
9 non-operational deposits (all counterparties)	1,027	530	1,059	526
10 unsecured debt	149	149	132	152
11 Secured wholesale funding		-		-
12 Additional requirements, of which:	3,507	506	2,730	420
13 outflows related to derivatives exposures and other collateral requirements	205	205	173	195
14 outflows related to loss of funding on debt products	101	101	55	61
15 credit and liquidity facilities	3,201	200	2,502	164
16 Other contractual funding obligations	-	-	-	-
17 Other contingent funding obligations	1,211	151	1,232	122
18 Total cash outflows		3,254		3,114
Cash inflows				
19 Secured lending	-	-	-	-
20 Inflows from fully performing exposures	232	118	194	111
21 Other cash inflows	425	425	262	302
22 Total cash inflows	657	543	456	413
		Total Adjusted Value		Total Adjusted Value
		\$m		\$m
23 Total liquid assets		3,594		3,663
24 Total net cash outflows		2,711		2,701
25 Liquidity coverage ratio (%)		133%		136%
Number of data points used (Business Days)		61		60