

BASEL III PILLAR 3

Capital Adequacy and Risk

Disclosures as at 31 March 2021



Table of Contents

Table 3 : Capital Adequacy	3
Table 4 : Credit Risk	4
Table 5 : Securitisation exposures	5
Table 20: Liquidity Coverage Ratio disclosure	6

AMP Bank Limited, Basel III Pillar 3 Disclosures, 31 March 2021

ABN 15 081 596 009

Table 3 Capital Adequacy

	31 March 2021	31 December 2020
	\$M	\$M
Risk Weighted Assets (RWA)		
Subject to Standardised Approach		
Residential Mortgages	6,379.7	6,253.9
Other Retail Loans	214.5	222.5
Bank	266.6	316.2
Corporate	312.5	322.9
Other	2.6	2.6
Securitisation	41.7	44.7
Total Risk Weighted Assets for Credit Risk Exposures	7,217.6	7,162.8
Market Risk RWA	0.5	2.2
Operational Risk RWA	1,215.0	1,215.0
Total Risk Weighted Assets	8,433.1	8,380.0
Capital Ratios (%)	%	%
Common Equity Tier 1 Ratio	10.9%	11.8%
Tier 1 Capital Ratio	13.6%	14.5%
Total Capital Ratio	17.2%	18.2%

AMP Bank Limited, Basel III Pillar 3 Disclosures, 31 March 2021

ABN 15 081 596 009

Table 4 Credit Risk

Table 4 (A)	31 March 2021		31 December 2020	
	As At \$M	Average \$M	As at \$M	Average \$M
Credit Exposure by Types				
Cash and balances with Central Banks	14.2	84.8	165.1	174.5
Loans and advances to banks	59.4	61.6	36.1	138.4
Equity securities	0.2	0.2	0.2	0.2
Debt securities	2,209.4	2,372.3	2,572.8	2,830.1
Loans and advances to customers	17,025.6	16,874.0	16,597.4	16,468.2
Other assets	205.7	210.9	224.1	232.5
Total Gross Credit Risk	19,514.5	19,603.8	19,595.7	19,843.9
Non-market related off-balance sheet credit exposures	438.8	404.4	469.6	410.7
Market related off-balance sheet credit exposures	32.7	33.3	34.2	27.2
Total Exposures	19,986.0	20,041.5	20,099.5	20,281.8
Credit Exposure by Portfolios				
Residential mortgages	17,057.0	16,864.4	16,646.4	16,441.2
Other retail claims	183.3	184.0	184.0	194.3
Bank	1,110.4	1,224.4	1,295.9	1,418.2
Government	1,321.0	1,449.4	1,648.7	1,891.9
Corporate	312.5	317.0	322.9	334.3
Other assets	1.8	2.3	1.6	1.9
Total Exposures	19,986.0	20,041.5	20,099.5	20,281.8
Table 4 (B)				
		31 March 2021		31 December 2020
		As At		As At
By Portfolios		\$M		\$M
Amount of Impaired Facilities				
Residential Mortgages		111.5		118.1
Corporate/ Specialised Lending		257.1		280.3
Past Due Facilities				
Residential Mortgages		63.9		56.2
Corporate/ Specialised Lending		3.8		3.0
Specific Provisions				
Charges for specific provisions during the period		(0.6)		(2.0)
Write-offs during the period		4.8		4.0
Table 4 (C)				
General Reserve for Credit Losses		61.5		60.8

AMP Bank Limited, Basel III Pillar 3 Disclosures, 31 March 2021

ABN 15 081 596 009

Table 5 Securitisation

	31 March 2021		31 December 2020	
	Total amount of exposure securitised	Recognised gain or loss on sale	Total amount of exposure securitised	Recognised gain or loss on sale
	\$M	\$M	\$M	\$M
Table 5 (A) - Total securitisation activity				
Loans sold into securitisation SPVs	-	-	-	-
RMBS investments	-	-	15.8	-
Total securitisation activity for the reporting period	-	-	15.8	-
Table 5 (B) - Total securitisation exposures retained or purchased				
Securitisation Facility Type				
On-balance sheet securitisation exposures				
RMBS investments	185.6		199.7	
Other	142.8		160.9	
Total securitisation exposures	328.4		360.6	
Off-balance sheet securitisation exposures				
Funding facilities	18.9		20.2	
Liquidity facilities	-		-	
Total securitisation exposures	18.9		20.2	

AMP Bank Limited, Basel III Pillar 3 Disclosures, 31 March 2021

ABN 15 081 596 009

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 141% (31 December 2020: 147%).

Table 20 Liquidity Coverage Ratio		31 March 2021		31 December 2020	
		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)		1,483		1,914
2	Alternate liquid assets (ALA)		1,814		1,817
3	Reserve Bank of New Zealand (RNBZ) securities		-		-
Cash outflows					
4	Retail deposits and deposits from small business customers, of which;	10,721	1,536	11,341	1,672
5	stable deposits	1,994	100	1,964	98
6	less stable deposits	8,727	1,436	9,377	1,574
7	Unsecured wholesale funding	1,272	612	1,381	716
8	operational deposits (all counterparties) and deposits in networks for cooperative banks	-	-	-	-
9	non-operational deposits (all counterparties)	1,246	586	1,319	654
10	unsecured debt	26	26	62	62
11	Secured wholesale funding		-		-
12	Additional requirements, of which:	2,658	246	2,689	331
13	outflows related to derivatives exposures and other collateral requirements	58	58	165	165
14	outflows related to loss of funding on debt products	38	38	16	16
15	credit and liquidity facilities	2,562	150	2,508	150
16	Other contractual funding obligations	-	-	-	-
17	Other contingent funding obligations	1,708	125	1,669	184
18	Total cash outflows		2,519		2,903
Cash inflows					
19	Secured lending	-	-	-	-
20	Inflows from fully performing exposures	153	76	150	84
21	Other cash inflows	108	108	288	288
22	Total cash inflows	261	184	438	372
		Total Adjusted Value		Total Adjusted Value	
		\$M		\$M	
23	Total liquid assets	3,297		3,731	
24	Total net cash outflows	2,335		2,531	
25	Liquidity coverage ratio	141		147	
	Number of data points used (Business Days)	62		63	