

BANK OF SYDNEY LTD

APS 330 PILLAR 3 CAPITAL DISCLOSURE

Bank of Sydney Ltd is an Authorised deposit-taking institution (ADI) which is regulated by the Australian Prudential Regulation Authority (APRA). Authority is granted to APRA under the Banking Act 1959.

The following disclosures are presented in accordance with APRA standard APS 330 *Public Disclosure*. APRA maintains standards in Capital Adequacy under APS 110. The aim of APS 110 is to ensure ADI's maintain adequate capital to act as a buffer against the risks associated with their activities.

The disclosures made are unaudited although they are consistent with information supplied to or published by APRA, which are subject to external audit.

RISK EXPOSURE AND ASSESSMENT

Table 3.

CAPITAL ADEQUACY

	Risk Weighted Assets (\$m)	
	June 2021	March 2021
Credit Risk ¹ :		
Claims on other banks	225.8	205.7
Claims secured by residential mortgage	636.4	637.4
Other claims	358.0	310.4
Total Risk Weighted Assets On and Off Balance Sheet	1,220.2	1,153.5
Market Risk ²	0.1	0.1
Operational Risk ³	153.5	153.7
Total Risk Weighted Assets	1,373.8	1,307.3

CAPITAL RATIOS

	June 2021	March 2021
Common Equity Tier 1 Ratio	21.23%	22.24%
Tier 1 Capital Ratio	21.23%	22.24%
Total Capital Adequacy Ratio ⁴	21.89%	22.90%

¹ Bank of Sydney Ltd uses a standardised approach to Credit Risk under APS 112. The Moody's credit rating grades are used for risk-weighting purposes.

² Bank of Sydney Ltd is exposed to market risk by operating in the foreign exchange market and uses the standard approach as outlined in APS 113.

³ Bank of Sydney Ltd uses the standard methodology to Operational Risk under APS 114, whereby total operational risk is determined by the capital requirements of the three business areas namely retail banking, commercial banking and all other activities.

⁴ The total capital ratio is calculated by dividing the total risk-weighted assets by the capital base. For capital adequacy purposes, the capital base is the sum of Tier 1 and Tier 2 capital net of any specific deductions.

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Table 4.

CREDIT RISK

(\$m)

Credit Exposure⁵	30/06/21	Average for quarter ended		Average for quarter ended	
		30/06/21	31/03/21	31/03/21	31/03/21
Housing	1,327.4	1,320.7	1,342.1	1,360.5	
Business/Commercial	508.2	479.7	461.4	457.9	
Personal	1.5	1.4	1.5	1.5	
Banks	622.1	601.9	625.3	646.4	
Off-Balance Sheet assets	293.2	282.2	247.3	254.9	
All other assets	107.1	109.6	121.2	125.8	
TOTAL	2,859.5	2,795.5	2,798.8	2,847.0	

Past Due Facilities⁶	30/06/2021	31/03/2021
Housing	0.2	2.0
Business/Commercial	0.7	0.6
Personal	0.0	0.0
TOTAL	0.9	2.6

Impaired Facilities⁷	30/06/2021	31/03/2021
Housing	0.5	0.5
Business/Commercial	0.3	0.3
Personal	0.0	0.0
TOTAL	0.8	0.8

⁵ Total credit exposure includes all outstanding loan balances and un-drawn commitments.

⁶ Past Due Items are those that are 90 days past due but well secured and not considered as impaired facilities.

⁷ As per APRA standard APS 220, Impaired Facilities are those that are not well secured and are 90 days past due, or where it has been determined that the Bank is unlikely to receive the full and timely amount due of such outstanding facilities.

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Specific Provision	30/06/2021	31/03/2021
Housing	0.0	0.0
Business/Commercial	0.0	0.0
Personal	0.0	0.0
TOTAL	0.0	0.0

	For quarter ended 30/06/2021	For quarter ended 31/03/2021
Charges/Write-offs		
Housing	0.0	0.0
Business/Commercial	0.0	0.0
Personal	0.0	0.0
TOTAL	0.0	0.0

General Reserve for Credit Losses⁸	30/06/2021	31/03/2021
General Reserves for Credit Losses	9.2	8.7

⁸ The General Reserve for Credit Losses is maintained as a prudent measure to absorb existing and estimated future credit losses. It is based on the total credit risk-weighted assets attributable to the period.

Table 5.
(\$m)

SECURITISATION EXPOSURE

Exposure securitized	30/06/2021	31/03/2021
Residential mortgages	741.0	825.6
Other	62.8	71.9
TOTAL	803.8	897.5

Gain or loss on sale	30/06/2021	31/03/2021
Residential mortgages	-	-
Other	-	-
TOTAL	-	-

Aggregate amount of on-balance sheet securitisation exposures	30/06/2021	31/03/2021
Debt securities	779.0	870.8
TOTAL	779.0	870.8

Aggregate amount of off-balance sheet securitisation exposures	30/06/2021	31/03/2021
Liquidity facilities	-	-
TOTAL	-	-