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)	
	March 2022	**December 2021**
Credit Risk[1]:		
Claims on other banks	188.9	205.3
Claims secured by residential mortgage	657.2	665.2
Other claims	388.9	382.5
Total Risk Weighted Assets On and Off Balance Sheet	**1,235.0**	**1,253.0**
Market Risk[2]	0.1	0.1
Operational Risk[3]	159.2	156.9
Total Risk Weighted Assets	**1,394.3**	**1,410.0**

CAPITAL RATIOS

	March 2022	**December 2021**
Common Equity Tier 1 Ratio	**21.24%**	**20.91%**
Tier 1 Capital Ratio	**21.24%**	**20.91%**
Total Capital Adequacy Ratio[4]	**21.90%**	**21.58%**

[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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APS 330 PILLAR 3 CAPITAL DISCLOSURE (CONTINUED)

Table 4.

CREDIT RISK

($m)

Credit Exposure[5]	**31/03/22**	**Average for quarter ended 31/03/22**	**31/12/21**	**Average for quarter ended 31/12/21**
Housing	1,366.2	1,370.3	1,375.4	1,373.9
Business/Commercial	561.6	562.1	563.1	560.6
Personal	1.2	1.3	1.4	1.4
Banks	549.7	547.6	571.6	580.1
Off-Balance Sheet assets	283.7	286.1	296.3	307.3
All other assets	141.5	130.8	134.9	148.5
TOTAL	**2,903.9**	**2,898.2**	**2,942.7**	**2,971.8**

Past Due Facilities[6]	**31/03/2022**	**31/12/2021**
Housing	3.4	3.4
Business/Commercial	4.1	5.5
Personal	0.0	0.0
TOTAL	**7.5**	**8.9**

Impaired Facilities[7]	**31/03/2022**	**31/12/2021**
Housing	2.8	0.5
Business/Commercial	0.3	0.5
Personal	0.1	0.1
TOTAL	**3.2**	**1.1**

[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.

Specific Provision	31/03/2022	31/12/2021
Housing	0.0	0.0
Business/Commercial	0.0	0.0
Personal	0.1	0.1
TOTAL	**0.1**	**0.1**

Charges/Write-offs	For quarter ended 31/03/2022	For quarter ended 31/12/2021
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 Losses[8]	31/03/2022	31/12/2021
General Reserves for Credit Losses	9.2	9.4

[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	31/03/2022	31/12/2021
Residential mortgages	747.1	584.3
Other	74.5	53.9
TOTAL	**821.6**	**638.2**

Gain or loss on sale	31/03/2022	31/12/2021
Residential mortgages	-	-
Other	-	-
TOTAL	**-**	**-**

Aggregate amount of on-balance sheet securitisation exposures	31/03/2022	31/12/2021
Debt securities	797.3	618.8
TOTAL	**797.3**	**618.8**

Aggregate amount of off-balance sheet securitisation exposures	31/03/2022	31/12/2021
Liquidity facilities	-	-
TOTAL	**-**	**-**