

Disclosure of Prudential Information

For the Quarter Ended 31 December 2019

Risk Exposures and Assessment

Based on Level 2 – Reporting Consolidated Group

Capital Adequacy		
Capital Requirements:	Risk-Weighted Assets	
	31/12/2019	30/09/2019
A) Credit Risk (excluding securitisation)		
Class I – Cash Items	-	-
Class II – Claims on Australian & foreign governments	-	-
Class III – Claims on central banks, international banking agencies, regional development banks, ADIs & overseas banks	\$576,432,979	\$613,789,179
Class IV – Claims secured against eligible residential mortgages	\$3,139,144,359	\$3,140,245,798
Class V – Unsettled and failed transactions	-	-
Class VI – Past due claims	\$665,549	\$935,063
Class VII – Other assets & claims	\$205,021,491	\$225,115,491
Non-market-related off-balance sheet credit exposures	\$84,071,053	\$79,565,134
Market-related off-balance sheet credit exposures	\$2,856,088	\$1,836,723
Total Credit Risk (excluding securitisation)	\$4,008,191,520	\$4,061,487,387
B) Credit Risk (securitisation)	-	-
C) Market Risk	-	-
D) Operational Risk	\$604,891,101	\$598,627,182
Capital Ratio:		
Common Equity Tier 1 Ratio	19.69%	19.27%
Total Capital Adequacy Ratio	20.19%	19.77%
Tier 1 Capital Adequacy Ratio	19.69%	19.27%

Credit Risk

Total gross credit risk exposures, plus average gross exposure over the period.

A) By major types of credit exposure

On-Balance Sheet credit risk-weighted assets:		Exposure at 31/12/2019	Average Exposure at 31/12/2019*	Exposure at 30/09/2019	Average Exposure at 30/09/2019*
Class I	Cash Items	\$62,385,630	\$48,558,270	\$55,410,498	\$51,789,936
Class II	Claims on Australian and foreign governments	\$20,592,110	\$20,572,333	\$20,532,779	\$36,224,586
Class III	Claims on central banks, international banking agencies, regional development banks, ADIs & overseas banks	\$1,685,161,342	\$1,758,196,732	\$1,809,746,355	\$1,790,921,161
Class IV	Claims secured against eligible residential mortgages	\$8,823,385,930	\$8,813,873,754	\$8,828,090,876	\$8,857,862,609
Class V	Unsettled and failed transactions	-	-	-	-
Class VI	Past due items	\$4,666,979	\$5,871,223	\$6,473,345	\$6,514,435
Class VII	Other assets and claims	\$205,021,491	\$214,412,373	\$225,115,491	\$207,663,298
Off-balance sheet exposures Non-market-related					
	Guarantees	\$2,188,217	\$2,284,794	\$2,333,082	\$2,284,614
	Commitments with certain drawdowns	\$238,671,616	\$247,264,038	\$224,346,652	\$211,495,157
	Commitments that can be unconditionally cancelled at any time without notice	\$254,626,689	\$252,731,008	\$252,442,480	\$252,993,439
Off-balance sheet exposures Market-related					
	Interest rate contracts	\$457,116	\$715,824	\$1,152,836	\$1,700,748
	Foreign exchange and gold contracts	-	-	-	-

*Average exposure is calculated by using closing monthly balances during the period.

B) By portfolio

Impaired Facilities	Balance Outstanding 31/12/2019	Balance Outstanding 30/09/2019
Residents		
Households	\$11,093,371	\$13,128,668
<i>of which: Owner-occupied housing</i>	\$10,119,955	\$11,755,429
<i>of which: Investor housing</i>	\$90,691	\$720,250
<i>of which: Credit Cards</i>	\$564,639	\$498,668
<i>of which: Other personal</i>	\$318,086	\$154,321
Non-financial corporations	\$3,047	\$324,826
<i>of which: private trading corporations</i>	\$1,383	\$322,747
<i>of which: private unincorporated businesses</i>	\$1,664	\$2,079
TOTAL	\$11,096,418	\$13,453,494

Past Due Items	Balance Outstanding 31/12/2019	Balance Outstanding 30/09/2019
Residents		
Households	\$2,651,575	\$3,762,210
<i>of which: Owner-occupied housing</i>	\$2,254,574	\$3,116,630
<i>of which: Investor housing</i>	\$237,577	\$199,990
<i>of which: Credit Cards</i>	-	-
<i>of which: Other personal</i>	\$159,424	\$445,590
Non-financial corporations	-	-
<i>of which: Private Trading Corporations</i>	-	-
<i>of which: Private unincorporated businesses</i>	-	-
TOTAL	\$2,651,575	\$3,762,210

Collective Provision	Outstanding balances 31/12/2019	Provision required 31/12/2019	Outstanding balances 30/09/2019	Provision required 30/09/2019
Category One facilities	\$46,881,599	-	\$32,858,936	-
Category Two facilities	\$1,263,860	-	\$2,383,874	-
Category Three facilities	\$590,994	\$56,150	\$804,584	\$232,359
Category Four facilities	\$1,413,916	\$280,251	\$1,231,668	\$284,928
TOTALS	\$50,150,369	\$336,401	\$37,279,062	\$517,287

Charges and Write-offs during the period	31/12/2019	30/09/2019
	Australia	Australia
Specific provisions	\$1,318,489	\$2,003,556
Charges for specific provisions	-\$630,625	-\$445,141
Bad debts written off to profit and loss	\$68,876	\$79,695

C) The general reserve for credit losses

	31/12/2019	30/09/2019
Balance	\$23,114,344	\$23,337,164

D) Securitisation exposures**

Current period securitisation activity	Balance 31/12/2019		Balance 30/09/2019	
Mortgage securitisations (on-balance sheet)				
Opening balance of securitised loans at beginning of quarter		\$181,540,227		\$193,006,350
Add: New loans securitised during the quarter		-		-
Add: Interest charged for the quarter		\$1,651,580		\$1,863,542
Less: Repayments/amortisation/loan buy backs for the quarter		\$12,580,316		\$13,329,665
Closing balance of securitised loans at end of quarter		\$170,611,491		\$181,540,227
Investment securitisation exposures				
	Residential Mortgage Backed Securities	Asset Backed Commercial Paper	Total	Total
Opening balance at beginning of quarter	\$2,135,981	-	\$2,135,981	\$2,163,239
Add: New purchases for the quarter	-	-	-	-
Less: Redemptions/Amortisation/ Fair Value Adjustments	\$63,620	-	\$63,620	\$27,258
Closing Balance at end of quarter	\$2,072,361	-	\$2,072,361	\$2,135,981

*Newcastle Permanent has no off-balance sheet securitisation exposures as at 31 December 2019.

**There are no recognised gains or losses on sale of securitisation exposures.