

# Disclosure of Prudential Information

For the Quarter Ended 31 December 2020

## Risk Exposures and Assessment

Based on Level 2 – Reporting Consolidated Group

<b>Capital Adequacy</b>		
<b>Capital Requirements:</b>	<b>Risk-Weighted Assets</b>	
	<b>31/12/2020</b>	<b>30/09/2020</b>
<b>A) Credit Risk (excluding securitisation)</b>		
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	\$539,832,814	\$563,864,674
Class IV – Claims secured against eligible residential mortgages	\$3,192,343,644	\$3,189,117,459
Class V – Unsettled and failed transactions	-	-
Class VI – Past due claims	\$2,731,216	\$2,206,081
Class VII – Other assets & claims	\$163,349,277	\$171,115,229
Non-market-related off-balance sheet credit exposures	\$120,120,143	\$105,574,316
Market-related off-balance sheet credit exposures	\$3,842,792	\$4,924,523
<b>Total Credit Risk (excluding securitisation)</b>	<b>\$4,022,219,886</b>	<b>\$4,036,802,283</b>
<b>B) Credit Risk (securitisation)</b>	-	-
<b>C) Market Risk</b>	-	-
<b>D) Operational Risk</b>	\$613,601,713	\$605,213,990
<b>Capital Ratio:</b>		
Common Equity Tier 1 Ratio	20.51%	20.23%
Total Capital Adequacy Ratio	21.01%	20.73%
Tier 1 Capital Adequacy Ratio	20.51%	20.23%

## 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 31/12/2020	Average Exposure at 31/12/2020*	Exposure at 30/09/2020	Average Exposure at 30/09/2020*
Class I	Cash Items	\$255,887,168	\$182,958,815	\$255,225,038	\$385,877,206
Class II	Claims on Australian and foreign governments	\$441,146,201	\$512,337,207	\$287,464,588	\$278,837,928
Class III	Claims on central banks, international banking agencies, regional development banks, ADIs & overseas banks	\$1,662,182,146	\$1,643,253,603	\$1,768,636,545	\$1,668,955,672
Class IV	Claims secured against eligible residential mortgages	\$8,977,905,783	\$8,974,336,787	\$8,977,102,465	\$8,793,216,901
Class V	Unsettled and failed transactions	-	-	-	-
Class VI	Past due items	\$8,758,411	\$8,161,236	\$7,057,659	\$6,813,704
Class VII	Other assets and claims	\$163,349,277	\$166,627,347	\$171,115,229	\$172,026,362
<b>Off-balance sheet exposures Non-market-related</b>					
	Guarantees	\$2,236,208	\$2,266,321	\$2,293,465	\$2,253,881
	Commitments with certain drawdowns	\$342,043,596	\$339,788,910	\$300,538,355	\$278,167,330
	Commitments that can be unconditionally cancelled at any time without notice	\$250,650,272	\$250,093,411	\$249,127,111	\$249,257,423
<b>Off-balance sheet exposures Market-related</b>					
	Interest rate contracts	\$4,233,319	\$4,636,160	\$5,089,645	\$5,075,164
	Foreign exchange and gold contracts	-	-	-	-

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

### B) By portfolio

Impaired Facilities	Balance Outstanding 31/12/2020	Balance Outstanding 30/09/2020
<b>Residents</b>		
Households	\$12,881,302	\$12,662,406
<i>of which: Owner-occupied housing</i>	\$9,596,854	\$9,344,941
<i>of which: Investor housing</i>	\$1,730,759	\$1,890,744
<i>of which: Credit Cards</i>	\$530,417	\$456,589
<i>of which: Other personal</i>	\$1,023,272	\$970,132
Non-financial corporations	\$2,491	\$2,291
<i>of which: private trading corporations</i>	\$978	\$1,195
<i>of which: private unincorporated businesses</i>	\$1,513	\$1,096
<b>TOTAL</b>	<b>\$12,883,793</b>	<b>\$12,664,697</b>

Past Due Items	Balance Outstanding 31/12/2020	Balance Outstanding 30/09/2020
<b>Residents</b>		
Households	\$4,724,535	\$4,409,595
<i>of which: Owner-occupied housing</i>	\$3,674,807	\$3,871,747
<i>of which: Investor housing</i>	\$626,355	\$114,437
<i>of which: Credit Cards</i>	-	-
<i>of which: Other personal</i>	\$423,373	\$423,411
Non-financial corporations	-	-
<i>of which: Private Trading Corporations</i>	-	-
<i>of which: Private unincorporated businesses</i>	-	-
<b>TOTAL</b>	<b>\$4,724,535</b>	<b>\$4,409,595</b>

Collective Provision	Outstanding balances 31/12/2020	Provision required 31/12/2020	Outstanding balances 30/09/2020	Provision required 30/09/2020
Category One facilities	\$55,960,382	-	\$38,998,682	-
Category Two facilities	\$648,741	\$27,671	\$2,056,250	\$13,685
Category Three facilities	\$512,170	\$87,015	\$480,290	\$112,157
Category Four facilities	\$804,647	\$292,093	\$692,173	\$212,958
<b>TOTALS</b>	<b>\$57,925,940</b>	<b>\$406,779</b>	<b>\$42,227,395</b>	<b>\$338,800</b>

Charges and Write-offs during the period	31/12/2020	30/09/2020
	Australia	Australia
Specific provisions	\$7,926,683	\$7,894,379
Charges for specific provisions	\$32,304	-\$67,756
Bad debts written off to profit and loss	\$16,896	\$23,841

### C) The general reserve for credit losses

	31/12/2020	30/09/2020
<b>Balance</b>	<b>\$23,176,983</b>	<b>\$23,240,161</b>

### D) Securitisation exposures<sup>^</sup>

Current period securitisation activity	Balance 31/12/2020		Balance 30/09/2020	
<b>Mortgage securitisations (on-balance sheet)</b>				
Opening balance of securitised loans at beginning of quarter		\$136,103,484		\$149,203,822
Add: New loans securitised during the quarter		-		-
Add: Interest charged for the quarter		\$1,112,179		\$1,250,744
Less: Repayments/amortisation/loan buy backs for the quarter		\$10,349,796		\$14,351,082
Closing balance of securitised loans at end of quarter		\$126,865,866		\$136,103,484
<b>Investment securitisation exposures</b>				
	<b>Residential Mortgage Backed Securities</b>	<b>Asset Backed Commercial Paper</b>	<b>Total</b>	<b>Total</b>
Opening balance at beginning of quarter	\$2,196,346	-	\$2,196,346	\$2,179,269
Add: New purchases for the quarter	-	-	-	-
Add: Fair value adjustments	-\$9,430	-	-\$9,430	\$94,890
Less: Redemptions/Amortisation	\$96,350	-	\$96,350	\$77,812
Closing Balance at end of quarter	\$2,090,566	-	\$2,090,566	\$2,196,346

\*Newcastle Permanent has no off-balance sheet securitisation exposures as at 31 December 2020.

<sup>^</sup>There are no recognised gains or losses on sale of securitisation exposures.