

Disclosure of Prudential Information

For the Quarter Ended 30 June 2019

Risk Exposures and Assessment

Based on Level 2 – Reporting Consolidated Group

Capital Adequacy		
Capital Requirements:	Risk-Weighted Assets	
	30/06/2019	31/03/2019
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	\$498,839,781	\$429,330,500
Class IV – Claims secured against eligible residential mortgages	\$3,178,556,258	\$3,207,003,426
Class V – Unsettled and failed transactions	-	-
Class VI – Past due claims	\$1,077,811	\$1,091,726
Class VII – Other assets & claims	\$206,626,831	\$210,489,282
Non-market-related off-balance sheet credit exposures	\$69,844,101	\$83,027,942
Market-related off-balance sheet credit exposures	\$1,450,701	\$1,749,791
Total Credit Risk (excluding securitisation)	\$3,956,395,482	\$3,932,692,667
B) Credit Risk (securitisation)	-	-
C) Market Risk	-	-
D) Operational Risk	\$598,627,183	\$589,838,110
Capital Ratio:		
Common Equity Tier 1 Ratio	19.57%	19.61%
Total Capital Adequacy Ratio	20.08%	20.11%
Tier 1 Capital Adequacy Ratio	19.57%	19.61%

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 30/06/2019	Average Exposure at 30/06/2019*	Exposure at 31/03/2019	Average Exposure at 31/03/2019*
Class I	Cash Items	\$38,143,000	\$46,142,639	\$37,197,515	\$54,990,657
Class II	Claims on Australian and foreign governments	\$178,817,703	\$202,202,113	\$215,991,765	\$250,290,759
Class III	Claims on central banks, international banking agencies, regional development banks, ADIs & overseas banks	\$1,421,232,874	\$1,395,930,594	\$1,351,174,174	\$1,334,844,768
Class IV	Claims secured against eligible residential mortgages	\$8,931,995,614	\$8,957,270,844	\$9,005,389,191	\$9,017,153,170
Class V	Unsettled and failed transactions	-	-	-	-
Class VI	Past due items	\$6,534,981	\$8,082,945	\$8,856,927	\$8,698,767
Class VII	Other assets and claims	\$206,626,831	\$206,189,831	\$210,489,282	\$211,214,958
Off-balance sheet exposures Non-market-related					
	Guarantees	\$2,260,380	\$2,233,104	\$2,219,466	\$2,219,466
	Commitments with certain drawdowns	\$197,185,651	\$197,316,960	\$232,941,974	\$224,541,873
	Commitments that can be unconditionally cancelled at any time without notice	\$253,386,764	\$255,715,640	\$257,398,442	\$258,096,748
Off-balance sheet exposures Market-related					
	Interest rate contracts	\$2,159,732	\$1,688,482	\$703,243	\$262,664
	Foreign exchange and gold contracts	-	-	-	-

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

B) By portfolio

Impaired Facilities	Balance Outstanding 30/06/19	Balance Outstanding 31/03/19
Residents		
Households	\$15,666,321	\$9,889,567
<i>of which: Owner-occupied housing</i>	\$13,126,314	\$7,996,839
<i>of which: Investor housing</i>	\$901,565	\$679,052
<i>of which: Credit Cards</i>	\$576,957	\$592,991
<i>of which: Other personal</i>	\$1,061,485	\$620,685
Non-financial corporations	\$312,147	\$350,549
<i>of which: private trading corporations</i>	\$308,733	\$347,627
<i>of which: private unincorporated businesses</i>	\$3,414	\$2,922
TOTAL	\$15,978,468	\$10,240,116

Past Due Items	Balance Outstanding 30/06/19	Balance Outstanding 31/03/19
Residents		
Households	\$3,797,562	\$4,677,968
<i>of which: Owner-occupied housing</i>	\$3,303,668	\$4,018,403
<i>of which: Investor housing</i>	\$284,724	\$441,702
<i>of which: Credit Cards</i>	-	-
<i>of which: Other personal</i>	\$209,170	\$217,863
Non-financial corporations	-	-
<i>of which: Private Trading Corporations</i>	-	-
<i>of which: Private unincorporated businesses</i>	-	-
TOTAL	\$3,797,562	\$4,677,968

Collective Provision	Outstanding balances 30/06/2019	Provision required 30/06/2019	Outstanding balances 31/03/2019	Provision required 31/03/2019
Category One facilities	\$45,583,714	-	\$48,967,920	-
Category Two facilities	\$1,047,123	-	\$461,513	-
Category Three facilities	\$977,253	\$184,442	\$1,159,523	\$194,489
Category Four facilities	\$1,400,304	\$366,732	\$1,386,381	\$352,456
TOTALS	\$49,008,394	\$551,174	\$51,975,337	\$546,945

Charges and Write-offs during the period	30/06/2019	31/03/2019
	Australia	Australia
Specific provisions	\$2,533,825	\$2,597,747
Charges for specific provisions	-\$26,072	\$257,573
Bad debts written off to profit and loss	\$16,286	\$77,215

C) The general reserve for credit losses

	30/06/2019	31/03/2019
Balance	\$22,897,116	\$22,695,260

D) Securitisation exposures**

Current period securitisation activity	Balance 30/06/2019		Balance 31/03/2019	
Mortgage securitisations (on-balance sheet)				
Opening balance of securitised loans at beginning of quarter		\$206,039,107		\$216,687,816
Add: New loans securitised during the quarter		-		-
Add: Interest charged for the quarter		\$2,154,727		\$2,269,165
Less: Repayments/amortisation/loan buy backs for the quarter		\$15,187,484		\$12,917,874
Closing balance of securitised loans at end of quarter		\$193,006,350		\$206,039,107
Investment securitisation exposures				
	Residential Mortgage Backed Securities	Asset Backed Commercial Paper	Total	Total
Opening balance at beginning of quarter	\$2,216,058	-	\$2,216,058	\$2,242,138
Add: New purchases for the quarter	-	-	-	-
Less: Redemptions/Amortisation/ Fair Value Adjustments	\$52,819	-	\$52,819	\$26,080
Closing Balance at end of quarter	\$2,163,239	-	\$2,163,239	\$2,216,058

*Newcastle Permanent has no off-balance sheet securitisation exposures as at 30 June 2019.

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