

# Disclosure of Prudential Information

For the Quarter Ended 30 June 2020

## Risk Exposures and Assessment

Based on Level 2 – Reporting Consolidated Group

Capital Adequacy		
Capital Requirements:	Risk-Weighted Assets	
	30/06/2020	31/03/2020
<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	\$504,416,463	\$564,129,477
Class IV – Claims secured against eligible residential mortgages	\$3,099,996,539	\$3,140,305,454
Class V – Unsettled and failed transactions	–	–
Class VI – Past due claims	\$559,453	\$671,475
Class VII – Other assets & claims	\$182,514,457	\$197,581,350
Non-market-related off-balance sheet credit exposures	\$89,478,552	\$88,047,364
Market-related off-balance sheet credit exposures	\$5,799,581	\$5,461,578
<b>Total Credit Risk (excluding securitisation)</b>	<b>\$3,882,765,045</b>	<b>\$3,996,196,698</b>
<b>B) Credit Risk (securitisation)</b>	–	–
<b>C) Market Risk</b>	–	–
<b>D) Operational Risk</b>	\$605,213,990	\$604,891,101
<b>Capital Ratio:</b>		
Common Equity Tier 1 Ratio	20.75%	20.00%
Total Capital Adequacy Ratio	21.25%	20.50%
Tier 1 Capital Adequacy Ratio	20.75%	20.00%

## 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 30/06/2020	Average Exposure at 30/06/2020 *	Exposure at 31/03/2020	Average Exposure at 31/03/2020 *
Class I	Cash Items	\$254,517,543	\$244,015,696	\$62,335,910	\$53,141,904
Class II	Claims on Australian and foreign governments	\$259,873,105	\$201,187,990	\$103,866,400	\$61,466,256
Class III	Claims on central banks, international banking agencies, regional development banks, ADIs & overseas banks	\$1,589,430,668	\$1,531,816,043	\$1,709,118,585	\$1,716,819,819
Class IV	Claims secured against eligible residential mortgages	\$8,721,821,465	\$8,779,267,781	\$8,834,317,341	\$8,824,698,832
Class V	Unsettled and failed transactions	-	-	-	-
Class VI	Past due items	\$5,159,434	\$6,607,837	\$7,332,038	\$5,555,332
Class VII	Other assets and claims	\$182,514,457	\$187,890,267	\$197,581,350	\$199,730,469
<b>Off-balance sheet exposures Non-market-related</b>					
	Guarantees	\$2,240,919	\$2,256,151	\$2,254,747	\$2,256,449
	Commitments with certain drawdowns	\$254,618,568	\$220,657,325	\$248,689,493	\$231,108,687
	Commitments that can be unconditionally cancelled at any time without notice	\$249,207,986	\$249,475,408	\$249,016,437	\$251,129,831
<b>Off-balance sheet exposures Market-related</b>					
	Interest rate contracts	\$5,390,984	\$5,498,951	\$4,090,320	\$2,142,866
	Foreign exchange and gold contracts	-	-	-	-

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

### B) By portfolio

Impaired Facilities	Balance Outstanding 30/06/2020	Balance Outstanding 31/03/2020
<b>Residents</b>		
Households	\$11,361,843	\$11,776,330
<i>of which: Owner-occupied housing</i>	\$9,666,351	\$9,157,661
<i>of which: Investor housing</i>	\$835,147	\$837,296
<i>of which: Credit Cards</i>	\$462,608	\$552,976
<i>of which: Other personal</i>	\$397,737	\$1,228,397
Non-financial corporations	\$2,312	\$3,579
<i>of which: private trading corporations</i>	\$1,162	\$1,423
<i>of which: private unincorporated businesses</i>	\$1,150	\$2,156
<b>TOTAL</b>	<b>\$11,364,155</b>	<b>\$11,779,909</b>

Past Due Items	Balance Outstanding 30/06/2020	Balance Outstanding 31/03/2020
<b>Residents</b>		
Households	\$3,880,636	\$3,945,273
<i>of which: Owner-occupied housing</i>	\$3,020,101	\$3,011,602
<i>of which: Investor housing</i>	\$101,157	-
<i>of which: Credit Cards</i>	-	-
<i>of which: Other personal</i>	\$759,378	\$933,671
Non-financial corporations	-	-
<i>of which: Private Trading Corporations</i>	-	-
<i>of which: Private unincorporated businesses</i>	-	-
<b>TOTAL</b>	<b>\$3,880,636</b>	<b>\$3,945,273</b>

Collective Provision	Outstanding balances 30/06/2020	Provision required 30/06/2020	Outstanding balances 31/03/2020	Provision required 31/03/2020
Category One facilities	\$36,362,311	-	\$53,771,095	-
Category Two facilities	\$344,388	-	\$2,854,168	-
Category Three facilities	\$595,135	\$85,381	\$657,774	\$49,888
Category Four facilities	\$864,901	\$219,123	\$1,405,578	\$292,534
<b>TOTALS</b>	<b>\$38,166,735</b>	<b>\$304,504</b>	<b>\$58,688,615</b>	<b>\$342,422</b>

Charges and Write-offs during the period	30/06/2020	31/03/2020
	Australia	Australia
Specific provisions	\$7,969,211	\$1,569,609
Charges for specific provisions	\$16,130	\$300,411
Bad debts written off to profit and loss	\$42,197	\$50,012

#### C) The general reserve for credit losses

	30/06/2020	31/03/2020
<b>Balance</b>	\$22,445,991	\$23,014,343

#### D) Securitisation exposures\*\*

Current period securitisation activity	Balance 30/06/2020		Balance 31/03/2020	
<b>Mortgage securitisations (on-balance sheet)</b>				
Opening balance of securitised loans at beginning of quarter		\$158,687,955		\$170,611,491
Add: New loans securitised during the quarter		-		-
Add: Interest charged for the quarter		\$1,333,832		\$1,498,648
Less: Repayments/amortisation/loan buy backs for the quarter		\$10,817,965		\$13,422,184
Closing balance of securitised loans at end of quarter		\$149,203,822		\$158,687,955
<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	\$2,249,841	-	\$2,249,841	\$2,072,361
Add: New purchases for the quarter	-	-	-	-
Add/(Less): Fair value adjustments	(\$2,212)		(\$2,212)	\$229,574
Less: Redemptions/Amortisation	\$68,360	-	\$68,360	\$52,094
Closing Balance at end of quarter	\$2,179,269	-	\$2,179,269	\$2,249,841

\*Newcastle Permanent has no off-balance sheet securitisation exposures as at 30 June 2020.

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