

Disclosure of Prudential Information

For the Quarter Ended 31 March 2019

Risk Exposures and Assessment

Based on Level 2 – Reporting Consolidated Group

Capital Adequacy		
Capital Requirements:	Risk-Weighted Assets	
	31/03/2019	31/12/2018
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	\$429,330,500	\$373,971,206
Class IV – Claims secured against eligible residential mortgages	\$3,207,003,426	\$3,216,579,720
Class V – Unsettled and failed transactions	-	-
Class VI – Past due claims	\$1,091,726	\$1,652,501
Class VII – Other assets & claims	\$210,489,282	\$210,348,117
Non-market-related off-balance sheet credit exposures	\$83,027,942	\$93,378,306
Market-related off-balance sheet credit exposures	\$1,749,791	\$1,417,382
Total Credit Risk (excluding securitisation)	\$3,932,692,667	\$3,897,347,232
B) Credit Risk (securitisation)	-	-
C) Market Risk	-	-
D) Operational Risk	\$589,838,110	\$589,838,110
Capital Ratio:		
Common Equity Tier 1 Ratio	19.61%	19.65%
Total Capital Adequacy Ratio	20.11%	20.15%
Tier 1 Capital Adequacy Ratio	19.61%	19.65%

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 31/03/2019	Average Exposure at 31/03/2019*	Exposure at 31/12/2018	Average Exposure at 31/12/2018*
Class I	Cash Items	\$37,197,515	\$54,990,657	\$65,143,250	\$70,481,466
Class II	Claims on Australian and foreign governments	\$215,991,765	\$250,290,759	\$246,169,629	\$345,062,558
Class III	Claims on central banks, international banking agencies, regional development banks, ADIs & overseas banks	\$1,351,174,174	\$1,334,844,768	\$1,296,767,617	\$1,227,215,373
Class IV	Claims secured against eligible residential mortgages	\$9,005,389,191	\$9,017,153,170	\$9,011,450,441	\$8,985,863,116
Class V	Unsettled and failed transactions	-	-	-	-
Class VI	Past due items	\$8,856,927	\$8,698,767	\$7,031,094	\$8,090,156
Class VII	Other assets and claims	\$210,489,282	\$211,214,958	\$210,348,118	\$210,111,313
Off-balance sheet exposures Non-market-related					
	Guarantees	\$2,219,466	\$2,219,466	\$2,240,383	\$2,240,383
	Commitments with certain drawdowns	\$232,941,974	\$224,541,873	\$263,748,006	\$290,991,100
	Commitments that can be unconditionally cancelled at any time without notice	\$257,398,442	\$258,096,748	\$262,275,982	\$262,904,022
Off-balance sheet exposures Market-related					
	Interest rate contracts	\$703,243	\$262,664	-	\$155,474
	Foreign exchange and gold contracts	-	-	-	-

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

B) By portfolio

Impaired Facilities	Balance Outstanding 31/03/19	Balance Outstanding 31/12/18
Residents		
Households	\$9,889,567	\$15,253,224
<i>of which: Owner-occupied housing</i>	\$7,996,839	\$12,954,423
<i>of which: Investor housing</i>	\$679,052	\$824,451
<i>of which: Credit Cards</i>	\$592,991	\$766,603
<i>of which: Other personal</i>	\$620,685	\$707,746
Non-financial corporations	\$350,549	\$2,756
<i>of which: private trading corporations</i>	\$347,627	\$1,081
<i>of which: private unincorporated businesses</i>	\$2,922	\$1,675
TOTAL	\$10,240,116	\$15,255,979

Past Due Items	Balance Outstanding 31/03/19	Balance Outstanding 31/12/18
Residents		
Households	\$4,677,968	\$2,931,929
<i>of which: Owner-occupied housing</i>	\$4,018,403	\$2,450,704
<i>of which: Investor housing</i>	\$441,702	\$418,209
<i>of which: Credit Cards</i>	-	-
<i>of which: Other personal</i>	\$217,863	\$63,016
Non-financial corporations	-	-
<i>of which: Private Trading Corporations</i>	-	-
<i>of which: Private unincorporated businesses</i>	-	-
TOTAL	\$4,677,968	\$2,931,929

Collective Provision	Outstanding balances 31/03/2019	Provision required 31/03/2019	Outstanding balances 31/12/2018	Provision required 31/12/2018
Category One facilities	\$48,967,920	-	\$60,453,524	-
Category Two facilities	\$461,513	-	\$822,822	-
Category Three facilities	\$1,159,523	\$194,489	\$2,120,148	\$356,420
Category Four facilities	\$1,386,381	\$352,456	\$1,635,436	\$413,889
TOTALS	\$51,975,337	\$546,945	\$65,031,931	\$770,309

Charges and Write-offs during the period	31/03/2019	31/12/2018
	Australia	Australia
Specific provisions	\$2,597,747	\$2,409,140
Charges for specific provisions	\$257,573	\$349,657
Bad debts written off to profit and loss	\$77,215	\$221,766

C) The general reserve for credit losses

	31/03/2019	31/12/2018
Balance	\$22,695,260	\$22,430,364

D) Securitisation exposures**

Current period securitisation activity	Balance 31/03/2019		Balance 31/12/2018	
Mortgage securitisations (on-balance sheet)				
Opening balance of securitised loans at beginning of quarter		\$216,687,816		\$231,668,775
Add: New loans securitised during the quarter		-		-
Add: Interest charged for the quarter		\$2,269,165		\$2,448,216
Less: Repayments/amortisation/loan buy backs for the quarter		\$12,917,874		\$17,429,175
Closing balance of securitised loans at end of quarter		\$206,039,107		\$216,687,816
Investment securitisation exposures				
	Residential Mortgage Backed Securities	Asset Backed Commercial Paper	Total	Total
Opening balance at beginning of quarter	\$2,242,138	-	\$2,242,138	\$3,121,102
Add: New purchases for the quarter	-	-	-	-
Less: Redemptions/Amortisation/ Fair Value Adjustments	\$26,080	-	\$26,080	\$878,964
Closing Balance at end of quarter	\$2,216,058	-	\$2,216,058	\$2,242,138

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

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