

Disclosure of Prudential Information

For the Quarter Ended 31 March 2020

Risk Exposures and Assessment

Based on Level 2 – Reporting Consolidated Group

Capital Adequacy		
Capital Requirements:	Risk-Weighted Assets	
	31/03/2020	31/12/2019
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	\$564,129,477	\$576,432,979
Class IV – Claims secured against eligible residential mortgages	\$3,140,305,454	\$3,139,144,359
Class V – Unsettled and failed transactions	-	-
Class VI – Past due claims	\$671,475	\$665,549
Class VII – Other assets & claims	\$197,581,350	\$205,021,491
Non-market-related off-balance sheet credit exposures	\$88,047,364	\$84,071,053
Market-related off-balance sheet credit exposures	\$5,461,578	\$2,856,088
Total Credit Risk (excluding securitisation)	\$3,996,196,698	\$4,008,191,520
B) Credit Risk (securitisation)	-	-
C) Market Risk	-	-
D) Operational Risk	\$604,891,101	\$604,891,101
Capital Ratio:		
Common Equity Tier 1 Ratio	20.00%	19.69%
Total Capital Adequacy Ratio	20.50%	20.19%
Tier 1 Capital Adequacy Ratio	20.00%	19.69%

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 31/03/2020	Average Exposure at 31/03/2020*	Exposure at 31/12/2019	Average Exposure at 31/12/2019*
Class I	Cash Items	\$62,335,910	\$53,141,904	\$62,385,630	\$48,558,270
Class II	Claims on Australian and foreign governments	\$103,866,400	\$61,466,256	\$20,592,110	\$20,572,333
Class III	Claims on central banks, international banking agencies, regional development banks, ADIs & overseas banks	\$1,709,118,585	\$1,716,819,819	\$1,685,161,342	\$1,758,196,732
Class IV	Claims secured against eligible residential mortgages	\$8,834,317,341	\$8,824,698,832	\$8,823,385,930	\$8,813,873,754
Class V	Unsettled and failed transactions	-	-	-	-
Class VI	Past due items	\$7,332,038	\$5,555,332	\$4,666,979	\$5,871,223
Class VII	Other assets and claims	\$197,581,350	\$199,730,469	\$205,021,491	\$214,412,373
Off-balance sheet exposures Non-market-related					
	Guarantees	\$2,254,747	\$2,256,449	\$2,188,217	\$2,284,794
	Commitments with certain drawdowns	\$248,689,493	\$231,108,687	\$238,671,616	\$247,264,038
	Commitments that can be unconditionally cancelled at any time without notice	\$249,016,437	\$251,129,831	\$254,626,689	\$252,731,008
Off-balance sheet exposures Market-related					
	Interest rate contracts	\$4,090,320	\$2,142,866	\$457,116	\$715,824
	Foreign exchange and gold contracts	-	-	-	-

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

B) By portfolio

Impaired Facilities	Balance Outstanding 31/03/2020	Balance Outstanding 31/12/2019
Residents		
Households	\$11,776,330	\$11,093,371
<i>of which: Owner-occupied housing</i>	\$9,157,661	\$10,119,955
<i>of which: Investor housing</i>	\$837,296	\$90,691
<i>of which: Credit Cards</i>	\$552,976	\$564,639
<i>of which: Other personal</i>	\$1,228,397	\$318,086
Non-financial corporations	\$3,579	\$3,047
<i>of which: private trading corporations</i>	\$1,423	\$1,383
<i>of which: private unincorporated businesses</i>	\$2,156	\$1,664
TOTAL	\$11,779,909	\$11,096,418

Past Due Items	Balance Outstanding 31/03/2020	Balance Outstanding 31/12/2019
Residents		
Households	\$3,945,273	\$2,651,575
<i>of which: Owner-occupied housing</i>	\$3,011,602	\$2,254,574
<i>of which: Investor housing</i>	-	\$237,577
<i>of which: Credit Cards</i>	-	-
<i>of which: Other personal</i>	\$933,671	\$159,424
Non-financial corporations	-	-
<i>of which: Private Trading Corporations</i>	-	-
<i>of which: Private unincorporated businesses</i>	-	-
TOTAL	\$3,945,273	\$2,651,575

Collective Provision	Outstanding balances 31/03/2020	Provision required 31/03/2020	Outstanding balances 31/12/2019	Provision required 31/12/2019
Category One facilities	\$53,771,095	-	\$46,881,599	-
Category Two facilities	\$2,854,168	-	\$1,263,860	-
Category Three facilities	\$657,774	\$49,888	\$590,994	\$56,150
Category Four facilities	\$1,405,578	\$292,534	\$1,413,916	\$280,251
TOTALS	\$58,688,615	\$342,422	\$50,150,369	\$336,401

Charges and Write-offs during the period	31/03/2020	31/12/2019
	Australia	Australia
Specific provisions	\$1,569,609	\$1,318,489
Charges for specific provisions	\$300,411	-\$630,625
Bad debts written off to profit and loss	\$50,012	\$68,876

C) The general reserve for credit losses

	31/03/2020	31/12/2019
Balance	\$23,014,343	\$23,114,344

D) Securitisation exposures**

Current period securitisation activity	Balance 31/03/2020		Balance 31/12/2019
Mortgage securitisations (on-balance sheet)			
Opening balance of securitised loans at beginning of quarter		\$170,611,491	\$181,540,227
Add: New loans securitised during the quarter		-	-
Add: Interest charged for the quarter		\$1,498,648	\$1,651,580
Less: Repayments/amortisation/loan buy backs for the quarter		\$13,422,184	\$12,580,316
Closing balance of securitised loans at end of quarter		\$158,687,955	\$170,611,491
Investment securitisation exposures			
	Residential Mortgage Backed Securities	Asset Backed Commercial Paper	Total
Opening balance at beginning of quarter	\$2,072,361	-	\$2,072,361
Add: New purchases for the quarter	-	-	-
Add: Fair value adjustments	\$229,574	-	\$229,574
Less: Redemptions/Amortisation	\$52,094	-	\$52,094
Closing Balance at end of quarter	\$2,249,841	-	\$2,249,841

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

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