

Disclosure of Prudential Information

For the Quarter Ended 30 September 2018

Risk Exposures and Assessment

Based on Level 2 – Reporting Consolidated Group unaudited figures

Capital Adequacy		
Capital Requirements:	Risk-Weighted Assets	
	30/09/2018	30/06/2018
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	\$312,058,925	\$326,762,762
Class IV – Claims secured against eligible residential mortgages	\$3,193,498,118	\$3,173,284,152
Class V – Unsettled and failed transactions	-	-
Class VI – Past due claims	\$1,696,028	\$7,726,448
Class VII – Other assets & claims	\$212,318,622	\$220,172,181
Non-market-related off-balance sheet credit exposures	\$110,534,515	\$108,517,509
Market-related off-balance sheet credit exposures	\$1,486,303	\$1,101,624
Total Credit Risk (excluding securitisation)	\$3,831,592,511	\$3,837,564,676
B) Credit Risk (securitisation)	-	-
C) Market Risk	-	-
D) Operational Risk	\$577,926,755	\$577,926,756
Capital Ratio:		
Common Equity Tier I Ratio	19.81%	19.52%
Total Capital Adequacy Ratio	20.31%	20.02%
Tier I Capital Adequacy Ratio	19.81%	19.52%

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 30/09/2018	Average Exposure at 30/09/2018*	Exposure at 30/06/2018	Average Exposure at 30/06/2018*
Class I	Cash Items	\$60,305,857	\$59,652,253	\$50,279,651	\$59,471,054
Class II	Claims on Australian and foreign governments	\$442,455,845	\$409,843,075	\$357,782,991	\$394,356,216
Class III	Claims on central banks, international banking agencies, regional development banks, ADIs & overseas banks	\$1,049,591,502	\$1,096,036,877	\$1,139,079,434	\$1,155,514,079
Class IV	Claims secured against eligible residential mortgages	\$8,944,922,518	\$8,928,519,289	\$8,874,200,590	\$8,837,032,825
Class V	Unsettled and failed transactions	-	-	-	-
Class VI	Past due items	\$8,619,687	\$9,544,868	\$16,023,874	\$13,665,516
Class VII	Other assets and claims	\$212,318,623	\$214,217,656	\$220,172,181	\$214,870,933
Off-balance sheet exposures Non-market-related					
	Guarantees	\$2,345,435	\$2,364,201	\$2,401,731	\$2,321,890
	Commitments with certain drawdowns	\$309,615,300	\$293,832,541	\$305,773,958	\$314,610,687
	Commitments that can be unconditionally cancelled at any time without notice	\$266,042,916	\$265,847,907	\$263,473,026	\$264,714,547
Off-balance sheet exposures Market-related					
	Interest rate contracts	\$373,822	\$249,662	\$214,367	\$386,327
	Foreign exchange and gold contracts	-	-	-	\$5,722,024

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

B) By portfolio

Impaired Facilities	Balance Outstanding 30/09/18	Balance Outstanding 30/06/18
Residents		
Households	\$11,804,878	\$14,524,599
<i>of which: Owner-occupied housing</i>	\$9,611,919	\$12,211,347
<i>of which: Investor housing</i>	\$1,103,514	\$936,017
<i>of which: Credit Cards</i>	\$542,629	\$785,169
<i>of which: Other personal</i>	\$546,815	\$592,066
Non-financial corporations	\$463,701	\$456,132
<i>of which: private trading corporations</i>	\$308,499	\$163,061
<i>of which: private unincorporated businesses</i>	\$155,202	\$293,071
TOTAL	\$12,268,579	\$14,980,731

Past Due Items	Balance Outstanding 30/09/18	Balance Outstanding 30/06/18
Residents		
Households	\$8,155,986	\$9,551,326
<i>of which: Owner-occupied housing</i>	\$5,993,885	\$6,559,489
<i>of which: Investor housing</i>	\$422,035	\$1,019,008
<i>of which: Credit Cards</i>	\$542,629	\$785,169
<i>of which: Other personal</i>	\$1,197,438	\$1,187,660
Non-financial corporations	\$310,065	\$304,418
<i>of which: Private Trading Corporations</i>	\$308,499	\$163,061
<i>of which: Private unincorporated businesses</i>	\$1,566	\$141,357
TOTAL	\$8,466,051	\$9,855,744

Collective Provision	Outstanding balances 30/09/2018	Provision required 30/09/2018	Outstanding balances 30/06/2018	Provision required 30/06/2018
Category One facilities	\$39,863,200	-	\$54,931,248	-
Category Two facilities	\$1,863,816	-	\$6,016,415	-
Category Three facilities	\$2,012,876	\$556,570	\$2,519,544	\$605,549
Category Four facilities	\$1,462,004	\$319,223	\$1,579,930	\$370,367
TOTALS	\$45,201,896	\$875,793	\$65,047,137	\$975,916

Charges and Write-offs during the period	30/09/2018	30/06/2018
	Australia	Australia
Specific provisions	\$1,707,388	\$1,921,597
Charges for specific provisions	-\$109,469	\$57,385
Bad debts written off to profit and loss	\$49,714	\$62,826

C) The general reserve for credit losses

	30/09/2018	30/06/2018
Balance	\$22,046,163	\$22,058,466

D) Securitisation exposures**

Current period securitisation activity	Balance 30/09/2018		Balance 30/06/2018	
Mortgage securitisations (on-balance sheet)				
Opening balance of securitised loans at beginning of quarter		\$249,237,880		\$268,086,797
Add: New loans securitised during the quarter		-		-
Add: Interest charged for the quarter		\$2,633,190		\$2,785,871
Less: Repayments/amortisation/loan buy backs for the quarter		\$20,202,295		\$21,634,789
Closing balance of securitised loans at end of quarter		\$231,668,775		\$249,237,880
Investment securitisation exposures				
	Residential Mortgage Backed Securities	Asset Backed Commercial Paper	Total	Total
Opening balance at beginning of quarter	\$3,314,355	-	\$3,314,355	\$3,411,499
Add: New purchases for the quarter	-	-	-	-
Less: Redemptions/Amortisation	\$193,253	-	\$193,253	\$97,144
Closing Balance at end of quarter	\$3,121,102	-	\$3,131,102	\$3,314,355

*Newcastle Permanent has no off-balance sheet securitisation exposures as at 30 September 2018.

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