

Disclosure of Prudential Information

For the Quarter Ended 30 September 2019

Risk Exposures and Assessment

Based on Level 2 – Reporting Consolidated Group

Capital Adequacy		
Capital Requirements:	Risk-Weighted Assets	
	30/09/2019	30/06/2019
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	\$613,789,179	\$498,839,781
Class IV – Claims secured against eligible residential mortgages	\$3,140,245,798	\$3,178,556,258
Class V – Unsettled and failed transactions	-	-
Class VI – Past due claims	\$935,063	\$1,077,811
Class VII – Other assets & claims	\$225,115,491	\$206,626,831
Non-market-related off-balance sheet credit exposures	\$79,565,134	\$69,844,101
Market-related off-balance sheet credit exposures	\$1,836,723	\$1,450,701
Total Credit Risk (excluding securitisation)	\$4,061,487,387	\$3,956,395,482
B) Credit Risk (securitisation)	-	-
C) Market Risk	-	-
D) Operational Risk	\$598,627,182	\$598,627,183
Capital Ratio:		
Common Equity Tier 1 Ratio	19.27%	19.57%
Total Capital Adequacy Ratio	19.77%	20.08%
Tier 1 Capital Adequacy Ratio	19.27%	19.57%

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 30/09/2019	Average Exposure at 30/09/2019*	Exposure at 30/06/2019	Average Exposure at 30/06/2019*
Class I	Cash Items	\$55,410,498	\$51,789,936	\$38,143,000	\$46,142,639
Class II	Claims on Australian and foreign governments	\$20,532,779	\$36,224,586	\$178,817,703	\$202,202,113
Class III	Claims on central banks, international banking agencies, regional development banks, ADIs & overseas banks	\$1,809,746,355	\$1,790,921,161	\$1,421,232,874	\$1,395,930,594
Class IV	Claims secured against eligible residential mortgages	\$8,828,090,876	\$8,857,862,609	\$8,931,995,614	\$8,957,270,844
Class V	Unsettled and failed transactions	-	-	-	-
Class VI	Past due items	\$6,473,345	\$6,514,435	\$6,534,981	\$8,082,945
Class VII	Other assets and claims	\$225,115,491	\$207,663,298	\$206,626,831	\$206,189,831
Off-balance sheet exposures Non-market-related					
	Guarantees	\$2,333,082	\$2,284,614	\$2,260,380	\$2,233,104
	Commitments with certain drawdowns	\$224,346,652	\$211,495,157	\$197,185,651	\$197,316,960
	Commitments that can be unconditionally cancelled at any time without notice	\$252,442,480	\$252,993,439	\$253,386,764	\$255,715,640
Off-balance sheet exposures Market-related					
	Interest rate contracts	\$1,152,836	\$1,700,748	\$2,159,732	\$1,688,482
	Foreign exchange and gold contracts	-	-	-	-

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

B) By portfolio

Impaired Facilities	Balance Outstanding 30/09/2019	Balance Outstanding 30/06/2019
Residents		
Households	\$13,128,668	\$15,666,321
<i>of which: Owner-occupied housing</i>	\$11,755,429	\$13,126,314
<i>of which: Investor housing</i>	\$720,250	\$901,565
<i>of which: Credit Cards</i>	\$498,668	\$576,957
<i>of which: Other personal</i>	\$154,321	\$1,061,485
Non-financial corporations	\$324,826	\$312,147
<i>of which: private trading corporations</i>	\$322,747	\$308,733
<i>of which: private unincorporated businesses</i>	\$2,079	\$3,414
TOTAL	\$13,453,494	\$15,978,468

Past Due Items	Balance Outstanding 30/09/2019	Balance Outstanding 30/06/2019
Residents		
Households	\$3,762,210	\$3,797,562
<i>of which: Owner-occupied housing</i>	\$3,116,630	\$3,303,668
<i>of which: Investor housing</i>	\$199,990	\$284,724
<i>of which: Credit Cards</i>	-	-
<i>of which: Other personal</i>	\$445,590	\$209,170
Non-financial corporations	-	-
<i>of which: Private Trading Corporations</i>	-	-
<i>of which: Private unincorporated businesses</i>	-	-
TOTAL	\$3,762,210	\$3,797,562

Collective Provision	Outstanding balances 30/09/2019	Provision required 30/09/2019	Outstanding balances 30/06/2019	Provision required 30/06/2019
Category One facilities	\$32,858,936	-	\$45,583,714	-
Category Two facilities	\$2,383,874	-	\$1,047,123	-
Category Three facilities	\$804,584	\$232,359	\$977,253	\$184,442
Category Four facilities	\$1,231,668	\$284,928	\$1,400,304	\$366,732
TOTALS	\$37,279,062	\$517,287	\$49,008,394	\$551,174

Charges and Write-offs during the period	30/09/2019	30/06/2019
	Australia	Australia
Specific provisions	\$2,003,556	\$2,533,825
Charges for specific provisions	-\$445,141	-\$26,072
Bad debts written off to profit and loss	\$79,695	\$16,286

C) The general reserve for credit losses

	30/09/2019	30/06/2019
Balance	\$23,337,164	\$22,897,116

D) Securitisation exposures**

Current period securitisation activity	Balance 30/09/2019		Balance 30/06/2019	
Mortgage securitisations (on-balance sheet)				
Opening balance of securitised loans at beginning of quarter		\$193,006,350		\$206,039,107
Add: New loans securitised during the quarter		-		-
Add: Interest charged for the quarter		\$1,863,542		\$2,154,727
Less: Repayments/amortisation/loan buy backs for the quarter		\$13,329,665		\$15,187,484
Closing balance of securitised loans at end of quarter		\$181,540,227		\$193,006,350
Investment securitisation exposures				
	Residential Mortgage Backed Securities	Asset Backed Commercial Paper	Total	Total
Opening balance at beginning of quarter	\$2,163,239	-	\$2,163,239	\$2,216,058
Add: New purchases for the quarter	-	-	-	-
Less: Redemptions/Amortisation/ Fair Value Adjustments	\$27,258	-	\$27,258	\$52,819
Closing Balance at end of quarter	\$2,135,981	-	\$2,135,981	\$2,163,239

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

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