

Disclosure of Prudential Information

For the Quarter Ended 30 September 2020

Risk Exposures and Assessment

Based on Level 2 – Reporting Consolidated Group

Capital Adequacy		
Capital Requirements:	Risk-Weighted Assets	
	30/09/2020	30/06/2020
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	\$563,864,674	\$504,416,463
Class IV – Claims secured against eligible residential mortgages	\$3,189,117,459	\$3,099,996,539
Class V – Unsettled and failed transactions	-	-
Class VI – Past due claims	\$2,206,081	\$559,453
Class VII – Other assets & claims	\$171,115,229	\$182,514,457
Non-market-related off-balance sheet credit exposures	\$105,574,316	\$89,478,552
Market-related off-balance sheet credit exposures	\$4,924,523	\$5,799,581
Total Credit Risk (excluding securitisation)	\$4,036,802,283	\$3,882,765,045
B) Credit Risk (securitisation)	-	-
C) Market Risk	-	-
D) Operational Risk	\$605,213,990	\$605,213,990
Capital Ratio:		
Common Equity Tier 1 Ratio	20.23%	20.75%
Total Capital Adequacy Ratio	20.73%	21.25%
Tier 1 Capital Adequacy Ratio	20.23%	20.75%

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 30/09/2020	Average Exposure at 30/09/2020*	Exposure at 30/06/2020	Average Exposure at 30/06/2020*
Class I	Cash Items	\$255,225,038	\$385,877,206	\$254,517,543	\$244,015,696
Class II	Claims on Australian and foreign governments	\$287,464,588	\$278,837,928	\$259,873,105	\$201,187,990
Class III	Claims on central banks, international banking agencies, regional development banks, ADIs & overseas banks	\$1,768,636,545	\$1,668,955,672	\$1,589,430,668	\$1,531,816,043
Class IV	Claims secured against eligible residential mortgages	\$8,977,102,465	\$8,793,216,901	\$8,721,821,465	\$8,779,267,781
Class V	Unsettled and failed transactions	-	-	-	-
Class VI	Past due items	\$7,057,659	\$6,813,704	\$5,159,434	\$6,607,837
Class VII	Other assets and claims	\$171,115,229	\$172,026,362	\$182,514,457	\$187,890,267
Off-balance sheet exposures Non-market-related					
	Guarantees	\$2,293,465	\$2,253,881	\$2,240,919	\$2,256,151
	Commitments with certain drawdowns	\$300,538,355	\$278,167,330	\$254,618,568	\$220,657,325
	Commitments that can be unconditionally cancelled at any time without notice	\$249,127,111	\$249,257,423	\$249,207,986	\$249,475,408
Off-balance sheet exposures Market-related					
	Interest rate contracts	\$5,089,645	\$5,075,164	\$5,390,984	\$5,498,951
	Foreign exchange and gold contracts	-	-	-	-

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

B) By portfolio

Impaired Facilities	Balance Outstanding 30/09/2020	Balance Outstanding 30/06/2020
Residents		
Households	\$12,662,406	\$11,361,843
<i>of which: Owner-occupied housing</i>	\$9,344,941	\$9,666,351
<i>of which: Investor housing</i>	\$1,890,744	\$835,147
<i>of which: Credit Cards</i>	\$456,589	\$462,608
<i>of which: Other personal</i>	\$970,132	\$397,737
Non-financial corporations	\$2,291	\$2,312
<i>of which: private trading corporations</i>	\$1,195	\$1,162
<i>of which: private unincorporated businesses</i>	\$1,096	\$1,150
TOTAL	\$12,664,697	\$11,364,155

Past Due Items	Balance Outstanding 30/09/2020	Balance Outstanding 30/06/2020
Residents		
Households	\$4,409,595	\$3,880,636
<i>of which: Owner-occupied housing</i>	\$3,871,747	\$3,020,101
<i>of which: Investor housing</i>	\$114,437	\$101,157
<i>of which: Credit Cards</i>	-	-
<i>of which: Other personal</i>	\$423,411	\$759,378
Non-financial corporations	-	-
<i>of which: Private Trading Corporations</i>	-	-
<i>of which: Private unincorporated businesses</i>	-	-
TOTAL	\$4,409,595	\$3,880,636

Collective Provision	Outstanding balances 30/09/2020	Provision required 30/09/2020	Outstanding balances 30/06/2020	Provision required 30/06/2020
Category One facilities	\$38,998,682	-	\$36,362,311	-
Category Two facilities	\$2,056,250	\$13,685	\$344,388	-
Category Three facilities	\$480,290	\$112,157	\$595,135	\$85,381
Category Four facilities	\$692,173	\$212,958	\$864,901	\$219,123
TOTALS	\$42,227,395	\$338,800	\$38,166,735	\$304,504

Charges and Write-offs during the period	30/09/2020	30/06/2020
	Australia	Australia
Specific provisions	\$7,894,379	\$7,969,211
Charges for specific provisions	-\$67,756	\$16,130
Bad debts written off to profit and loss	\$23,841	\$42,197

C) The general reserve for credit losses

	30/09/2020	30/06/2020
Balance	\$23,240,161	\$22,445,991

D) Securitisation exposures*

Current period securitisation activity	Balance 30/09/2020		Balance 30/06/2020	
Mortgage securitisations (on-balance sheet)				
Opening balance of securitised loans at beginning of quarter		\$149,203,822		\$158,687,955
Add: New loans securitised during the quarter		-		-
Add: Interest charged for the quarter		\$1,250,744		\$1,333,832
Less: Repayments/amortisation/loan buy backs for the quarter		\$14,351,082		\$10,817,965
Closing balance of securitised loans at end of quarter		\$136,103,484		\$149,203,822
Investment securitisation exposures				
	Residential Mortgage Backed Securities	Asset Backed Commercial Paper	Total	Total
Opening balance at beginning of quarter	\$2,179,269	-	\$2,179,269	\$2,249,841
Add: New purchases for the quarter	-	-	-	-
Add: Fair value adjustments	\$94,890	-	\$94,890	-\$2,212
Less: Redemptions/Amortisation	\$77,812	-	\$77,812	\$68,360
Closing Balance at end of quarter	\$2,196,346	-	\$2,196,346	\$2,179,269

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

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