

# Disclosure of Prudential Information

For the Quarter Ended 31 December 2018

## Risk Exposures and Assessment

Based on Level 2 – Reporting Consolidated Group

Capital Adequacy		
Capital Requirements:	Risk-Weighted Assets	
	31/12/2018	30/09/2018
<b>A) Credit Risk (excluding securitisation)</b>		
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	\$373,971,206	\$312,058,925
Class IV – Claims secured against eligible residential mortgages	\$3,216,579,720	\$3,193,498,118
Class V – Unsettled and failed transactions	-	-
Class VI – Past due claims	\$1,652,501	\$1,696,028
Class VII – Other assets & claims	\$210,348,117	\$212,318,622
Non-market-related off-balance sheet credit exposures	\$93,378,306	\$110,534,515
Market-related off-balance sheet credit exposures	\$1,417,382	\$1,486,303
<b>Total Credit Risk (excluding securitisation)</b>	<b>\$3,897,347,232</b>	<b>\$3,831,592,511</b>
<b>B) Credit Risk (securitisation)</b>	-	-
<b>C) Market Risk</b>	-	-
<b>D) Operational Risk</b>	\$589,838,110	\$577,926,755
<b>Capital Ratio:</b>		
Common Equity Tier 1 Ratio	19.65%	19.81%
Total Capital Adequacy Ratio	20.15%	20.31%
Tier 1 Capital Adequacy Ratio	19.65%	19.81%

## 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 31/12/2018	Average Exposure at 31/12/2018*	Exposure at 30/09/2018	Average Exposure at 30/09/2018*
Class I	Cash Items	\$65,143,250	\$70,481,466	\$60,305,857	\$59,652,253
Class II	Claims on Australian and foreign governments	\$246,169,629	\$345,062,558	\$442,455,845	\$409,843,075
Class III	Claims on central banks, international banking agencies, regional development banks, ADIs & overseas banks	\$1,296,767,617	\$1,227,215,373	\$1,049,591,502	\$1,096,036,877
Class IV	Claims secured against eligible residential mortgages	\$9,011,450,441	\$8,985,863,116	\$8,944,922,518	\$8,928,519,289
Class V	Unsettled and failed transactions	-	-	-	-
Class VI	Past due items	\$7,031,094	\$8,090,156	\$8,619,687	\$9,544,868
Class VII	Other assets and claims	\$210,348,118	\$210,111,313	\$212,318,623	\$214,217,656
<b>Off-balance sheet exposures Non-market-related</b>					
	Guarantees	\$2,240,383	\$2,240,383	\$2,345,435	\$2,364,201
	Commitments with certain drawdowns	\$263,748,006	\$290,991,100	\$309,615,300	\$293,832,541
	Commitments that can be unconditionally cancelled at any time without notice	\$262,275,982	\$262,904,022	\$266,042,916	\$265,847,907
<b>Off-balance sheet exposures Market-related</b>					
	Interest rate contracts	-	\$155,474	\$373,822	\$249,662
	Foreign exchange and gold contracts	-	-	-	-

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

### B) By portfolio

Impaired Facilities	Balance Outstanding 31/12/18	Balance Outstanding 30/09/18
<b>Residents</b>		
Households	\$15,253,224	\$11,804,878
<i>of which: Owner-occupied housing</i>	\$12,954,423	\$9,611,919
<i>of which: Investor housing</i>	\$824,451	\$1,103,514
<i>of which: Credit Cards</i>	\$766,603	\$542,629
<i>of which: Other personal</i>	\$707,746	\$546,815
Non-financial corporations	\$2,756	\$463,701
<i>of which: private trading corporations</i>	\$1,081	\$308,499
<i>of which: private unincorporated businesses</i>	\$1,675	\$155,202
<b>TOTAL</b>	<b>\$15,255,979</b>	<b>\$12,268,579</b>

Past Due Items	Balance Outstanding 31/12/18	Balance Outstanding 30/09/18
<b>Residents</b>		
Households	\$2,931,929	\$3,599,428
<i>of which: Owner-occupied housing</i>	\$2,450,704	\$2,771,198
<i>of which: Investor housing</i>	\$418,209	\$411,625
<i>of which: Credit Cards</i>	-	-
<i>of which: Other personal</i>	\$63,016	\$416,605
Non-financial corporations	-	\$307,097
<i>of which: Private Trading Corporations</i>	-	\$307,097
<i>of which: Private unincorporated businesses</i>	-	-
<b>TOTAL</b>	<b>\$2,931,929</b>	<b>\$3,906,525</b>

Collective Provision	Outstanding balances 31/12/2018	Provision required 31/12/2018	Outstanding balances 30/09/2018	Provision required 30/09/2018
Category One facilities	\$60,453,524	-	\$39,863,200	-
Category Two facilities	\$822,822	-	\$1,863,816	-
Category Three facilities	\$2,120,148	\$356,420	\$2,012,876	\$556,570
Category Four facilities	\$1,635,436	\$413,889	\$1,462,004	\$319,223
<b>TOTALS</b>	<b>\$65,031,931</b>	<b>\$770,309</b>	<b>\$45,201,896</b>	<b>\$875,793</b>

Charges and Write-offs during the period	31/12/2018	30/09/2018
	Australia	Australia
Specific provisions	\$2,409,140	\$1,707,388
Charges for specific provisions	\$349,657	-\$109,469
Bad debts written off to profit and loss	\$221,766	\$49,714

#### C) The general reserve for credit losses

	31/12/2018	30/09/2018
<b>Balance</b>	\$22,430,364	\$22,046,163

#### D) Securitisation exposures\*\*

Current period securitisation activity	Balance 31/12/2018		Balance 30/09/2018	
<b>Mortgage securitisations (on-balance sheet)</b>				
Opening balance of securitised loans at beginning of quarter		\$231,668,775		\$249,237,880
Add: New loans securitised during the quarter		-		-
Add: Interest charged for the quarter		\$2,448,216		\$2,633,190
Less: Repayments/amortisation/loan buy backs for the quarter		\$17,429,175		\$20,202,295
Closing balance of securitised loans at end of quarter		\$216,687,816		\$231,668,775
<b>Investment securitisation exposures</b>				
	Residential Mortgage Backed Securities	Asset Backed Commercial Paper	Total	Total
Opening balance at beginning of quarter	\$3,121,102	-	\$3,121,102	\$3,314,355
Add: New purchases for the quarter	-	-	-	-
Less: Redemptions/Amortisation/ Fair Value Adjustments	\$878,964	-	\$878,964	\$193,253
Closing Balance at end of quarter	\$2,242,138	-	\$2,242,138	\$3,131,102

\*Newcastle Permanent has no off-balance sheet securitisation exposures as at 31 December 2018.

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