

Disclosure of Prudential Information

For the Quarter Ended 30 June 2018

Risk Exposures and Assessment

Based on Level 2 – Reporting Consolidated Group unaudited figures

Capital Adequacy		
Capital Requirements:	Risk-Weighted Assets	
	30/06/2018	31/03/2018
A) Credit Risk (excluding securitisation)		
Class I – Cash Items	-	\$280,035
Class II – Claims on Australian & foreign governments	-	-
Class III – Claims on central banks, international banking agencies, regional development banks, ADIs & overseas banks	\$326,762,762	\$330,623,103
Class IV – Claims secured against eligible residential mortgages	\$3,173,284,152	\$3,150,214,633
Class V – Unsettled and failed transactions	-	-
Class VI – Past due claims	\$7,726,448	\$4,956,744
Class VII – Other assets & claims	\$220,172,181	\$215,356,832
Non-market-related off-balance sheet credit exposures	\$108,517,509	\$107,411,392
Market-related off-balance sheet credit exposures	\$1,101,624	\$3,539,822
Total Credit Risk (excluding securitisation)	\$3,837,564,676	\$3,812,382,561
B) Credit Risk (securitisation)	-	-
C) Market Risk	-	-
D) Operational Risk	\$577,926,756	\$561,784,929
Capital Ratio:		
Common Equity Tier 1 Ratio	19.52%	19.40%
Total Capital Adequacy Ratio	20.02%	19.91%
Tier 1 Capital Adequacy Ratio	19.52%	19.40%

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 30/06/2018	Average Exposure at 30/06/2018*	Exposure at 31/03/2018	Average Exposure at 31/03/2018*
Class I	Cash Items	\$50,279,651	\$59,471,054	\$61,148,964	\$66,688,230
Class II	Claims on Australian and foreign governments	\$357,782,991	\$394,356,216	\$435,419,593	\$397,714,554
Class III	Claims on central banks, international banking agencies, regional development banks, ADIs & overseas banks	\$1,139,079,434	\$1,155,514,079	\$1,155,343,394	\$1,177,671,728
Class IV	Claims secured against eligible residential mortgages	\$8,874,200,590	\$8,837,032,825	\$8,801,619,880	\$8,789,301,147
Class V	Unsettled and failed transactions	-	-	-	-
Class VI	Past due items	\$16,023,874	\$13,665,516	\$12,486,337	\$12,554,037
Class VII	Other assets and claims	\$220,172,181	\$214,870,933	\$215,356,832	\$216,373,882
Off-balance sheet exposures Non-market-related					
	Guarantees	\$2,401,731	\$2,321,890	\$2,281,970	\$2,295,511
	Commitments with certain drawdowns	\$305,773,958	\$314,610,687	\$302,602,529	\$295,893,124
	Commitments that can be unconditionally cancelled at any time without notice	\$263,473,026	\$264,714,547	\$266,687,460	\$267,648,949
Off-balance sheet exposures Market-related					
	Interest rate contracts	\$214,367	\$386,327	\$283,034	\$390,526
	Foreign exchange and gold contracts	-	\$5,722,024	\$7,975,008	\$6,945,271

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

B) By portfolio

Impaired Facilities	Balance Outstanding 30/06/18	Balance Outstanding 31/03/18
Residents		
Households	\$14,524,599	\$14,518,888
<i>of which: Owner-occupied housing</i>	\$12,211,347	\$11,943,377
<i>of which: Investor housing</i>	\$936,017	\$1,270,153
<i>of which: Credit Cards</i>	\$785,169	\$740,596
<i>of which: Other personal</i>	\$592,066	\$564,762
Non-financial corporations	\$456,132	\$301,626
<i>of which: private trading corporations</i>	\$163,061	\$161,640
<i>of which: private unincorporated businesses</i>	\$293,071	\$139,986
TOTAL	\$14,980,731	\$14,820,514

Past Due Items	Balance Outstanding 30/06/18	Balance Outstanding 31/03/18
Residents		
Households	\$9,551,326	\$9,473,133
<i>of which: Owner-occupied housing</i>	\$6,559,489	\$6,228,640
<i>of which: Investor housing</i>	\$1,019,008	\$1,212,058
<i>of which: Credit Cards</i>	\$785,169	\$740,596
<i>of which: Other personal</i>	\$1,187,660	\$1,291,839
Non-financial corporations	\$304,418	\$163,810
<i>of which: Private Trading Corporations</i>	\$163,061	\$161,640
<i>of which: Private unincorporated businesses</i>	\$141,357	\$2,170
TOTAL	\$9,855,744	\$9,636,943

Collective Provision	Outstanding balances 30/06/2018	Provision required 30/06/2018	Outstanding balances 31/03/2018	Provision required 31/03/2018
Category One facilities	\$54,931,248	-	\$53,836,515	-
Category Two facilities	\$6,016,415	-	\$2,711,579	\$83,884
Category Three facilities	\$2,519,544	\$605,549	\$2,485,970	\$670,199
Category Four facilities	\$1,579,930	\$370,367	\$1,651,313	\$356,218
TOTALS	\$65,047,137	\$975,916	\$60,685,377	\$1,110,301

Charges and Write-offs during the period	30/06/2018	31/03/2018
	Australia	Australia
Specific provisions	\$1,921,597	\$1,961,367
Charges for specific provisions	\$57,385	\$44,020
Bad debts written off to profit and loss	\$62,826	\$37,390

C) The general reserve for credit losses

	30/06/2018	31/03/2018
Balance	\$22,058,466	\$21,957,710

D) Securitisation exposures**

Current period securitisation activity	Balance 30/06/2018		Balance 31/03/2018	
Mortgage securitisations (on-balance sheet)				
Opening balance of securitised loans at beginning of quarter		\$268,086,797		\$286,916,265
Add: New loans securitised during the quarter		-		-
Add: Interest charged for the quarter		\$2,785,871		\$2,933,133
Less: Repayments/amortisation/loan buy backs for the quarter		\$21,634,789		\$21,762,601
Closing balance of securitised loans at end of quarter		\$249,237,880		\$268,086,797
Investment securitisation exposures				
	Residential Mortgage Backed Securities	Asset Backed Commercial Paper	Total	Total
Opening balance at beginning of quarter	\$3,411,499	-	\$3,411,499	\$3,461,628
Add: New purchases for the quarter	-	-	-	-
Less: Redemptions/Amortisation	\$97,144	-	\$97,144	\$50,129
Closing Balance at end of quarter	\$3,314,355	-	\$3,314,355	\$3,411,499

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

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