

Disclosure of Prudential Information

For the Quarter Ended 31 March 2022

Risk Exposures and Assessment

Based on Level 2 – Reporting Consolidated Group

Capital Adequacy		
Capital Requirements:	Risk-Weighted Assets	
	31/03/2022	31/12/2021
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	\$628,855,078	\$610,091,187
Class IV – Claims secured against eligible residential mortgages	\$3,308,277,307	\$3,300,441,361
Class V – Unsettled and failed transactions	-	-
Class VI – Past due claims	\$2,692,081	\$2,560,539
Class VII – Other assets & claims	\$154,509,348	\$155,410,785
Non-market-related off-balance sheet credit exposures	\$144,675,241	\$149,079,004
Market-related off-balance sheet credit exposures	\$15,162,671	\$9,719,702
Total Credit Risk (excluding securitisation)	\$4,254,171,727	\$4,227,302,578
B) Credit Risk (securitisation)	-	-
C) Market Risk	-	-
D) Operational Risk	\$633,623,717	\$633,623,717
Capital Ratio:		
Common Equity Tier 1 Ratio	20.68%	20.30%
Total Capital Adequacy Ratio	20.84%	20.80%
Tier 1 Capital Adequacy Ratio	20.68%	20.30%

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 31/03/2022	Average Exposure at 31/03/2022*	Exposure at 31/12/2021	Average Exposure at 31/12/2021*
Class I	Cash Items	\$224,835,621	\$228,543,553	\$201,098,126	\$167,102,632
Class II	Claims on Australian and foreign governments	\$58,086,788	\$61,966,992	\$208,418,189	\$239,072,286
Class III	Claims on central banks, international banking agencies, regional development banks, ADIs & overseas banks	\$2,312,955,649	\$2,257,490,940	\$2,157,092,881	\$2,159,578,165
Class IV	Claims secured against eligible residential mortgages	\$9,322,244,368	\$9,292,093,335	\$9,292,558,935	\$9,273,059,686
Class V	Unsettled and failed transactions	-	-	-	-
Class VI	Past due items	\$5,170,689	\$6,703,430	\$5,217,740	\$4,810,266
Class VII	Other assets and claims	\$154,509,348	\$154,454,220	\$155,410,785	\$157,133,610
Off-balance sheet exposures Non-market-related					
	Guarantees	\$2,313,765	\$2,317,406	\$2,331,589	\$2,280,486
	Commitments with certain drawdowns	\$399,699,588	\$382,046,152	\$413,721,974	\$408,533,500
	Commitments that can be unconditionally cancelled at any time without notice	\$212,239,673	\$211,958,354	\$211,914,309	\$213,553,372
Off-balance sheet exposures Market-related					
	Interest rate contracts	\$20,953,148	\$13,853,841	\$8,143,697	\$9,549,587
	Foreign exchange and gold contracts	-	-	-	-

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

B) By portfolio

Impaired Facilities	Balance Outstanding 31/03/2022	Balance Outstanding 31/12/2021
Residents		
Households	\$6,494,088	\$5,758,800
<i>of which: Owner-occupied housing</i>	\$5,400,549	\$4,634,198
<i>of which: Investor housing</i>	-	-
<i>of which: Credit Cards</i>	\$458,053	\$411,124
<i>of which: Other personal</i>	\$635,485	\$713,478
Non-financial corporations	\$4,515	\$4,499
<i>of which: Private trading corporations</i>	\$2,515	\$2,606
<i>of which: Private unincorporated businesses</i>	\$2,000	\$1,893
TOTAL	\$6,498,603	\$5,763,299

Past Due Items	Balance Outstanding 31/03/2022	Balance Outstanding 31/12/2021
Residents		
Households	\$3,141,464	\$3,290,399
<i>of which: Owner-occupied housing</i>	\$2,363,553	\$2,686,689
<i>of which: Investor housing</i>	\$234,162	\$231,463
<i>of which: Credit Cards</i>	-	-
<i>of which: Other personal</i>	\$543,749	\$372,247
Non-financial corporations	-	-
<i>of which: Private trading corporations</i>	-	-
<i>of which: Private unincorporated businesses</i>	-	-
TOTAL	\$3,141,464	\$3,290,399

Collective Provision	Outstanding balances 31/03/2022	Provision required 31/03/2022	Outstanding balances 31/12/2021	Provision required 31/12/2021
Category One facilities	\$41,280,731	-	\$42,198,389	-
Category Two facilities	\$1,367,523	-	\$2,600,304	\$6,401
Category Three facilities	\$650,751	\$51,271	\$909,803	\$27,657
Category Four facilities	\$974,604	\$320,005	\$1,104,800	\$290,557
TOTALS	\$44,273,609	\$371,276	\$46,813,296	\$324,615

Charges and Write-offs during the period	31/03/2022	31/12/2021
	Australia	Australia
Specific provisions	\$7,818,239	\$7,759,514
Charges for specific provisions	\$73,299	\$68,382
Bad debts written off to profit and loss	\$62,118	-\$71,090

C) The general reserve for credit losses*

	31/03/2022	31/12/2021
Balance	0	\$24,316,938

*The revisions to APS 220 that became effective on 1 January 2022 no longer require an ADI to hold a general reserve for credit losses within equity. Therefore the balance has been reduced to zero during the quarter ended 31 March 2022.

D) Securitisation exposures*

Current period securitisation activity	Balance 31/03/2022		Balance 31/12/2021	
Mortgage securitisations (on-balance sheet)				
Opening balance of securitised loans at beginning of quarter		\$90,986,711		\$97,555,162
Add: New loans securitised during the quarter		-		-
Add: Interest charged for the quarter		\$715,994		\$789,197
Less: Repayments/amortisation/loan buy backs for the quarter		\$7,515,042		\$7,357,648
Closing balance of securitised loans at end of quarter		\$84,187,663		\$90,986,711
Investment securitisation exposures				
	Residential Mortgage Backed Securities	Asset Backed Commercial Paper	Total	Total
Opening balance at beginning of quarter	\$1,707,509	-	\$1,707,509	\$1,795,289
Add: New purchases for the quarter	-	-	-	-
Add/(Less): Fair value adjustments	\$3,786	-	\$3,786	-\$16,713
Less: Redemptions/Amortisation	\$117,126	-	\$117,126	\$71,067
Closing Balance at end of quarter	\$1,594,169	-	\$1,594,169	\$1,707,509

*Newcastle Permanent has no off-balance sheet securitisation exposures as at 31 March 2022.

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